

THE LAW OF UKRAINE "ON LOBBYING": NOVELTIES AND CHALLENGES FOR BUSINESS ENTITIES

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Abstract. The *purpose* of this article is twofold: firstly, to highlight the novelties for entrepreneurs related to the adoption of the new Law of Ukraine "On Lobbying"; and secondly, to define some problematic issues related to its enforcement. *Methodology.* The systemic method provides an opportunity to analyse lobbying as a phenomenon that depends on a number of factors. The utilisation of the historical method facilitates the delineation of the evolution of lobbying and its subsequent institutionalisation within the Ukrainian context. The method of terminological analysis enabled a review of the main concepts associated with this phenomenon (subject/object of lobbying, commercial interest, subject matter of lobbying). The hermeneutic method was utilised to analyse the primary provisions and innovations of the recently adopted Law of Ukraine "On Lobbying", while the logical method facilitated the identification of its deficiencies. The utilisation of a summarisation method was instrumental in facilitating the formulation of conclusions, in accordance with the research objective. The *results* obtained from the study indicated that there have been ongoing efforts to regulate lobbying activities in Ukraine for a considerable period, albeit with limited success. However, this issue had to be resolved, given that legislative regulation of lobbying processes was also provided for in a number of Ukrainian and international legal documents. Consequently, the Law of Ukraine "On Lobbying", enacted in early 2025, established a legal framework for this activity in Ukraine, aligning it with global standards. *Practical implications.* The main provisions of the newly adopted law were analysed, namely the scope of lobbying activities, the list of persons who cannot be the subject of lobbying, the rights and obligations of lobbying entities, and the acquisition, termination and renewal of lobbying entity status. Emphasis is placed on the new transparency system in the field of lobbying, which is a key requirement for carrying out these activities. Thus, lobbyists must enter the necessary registration and reporting information into the Transparency Register, while the NACP must submit information regarding the termination or renewal of a lobbying entity's status. *Value / Originality.* The primary deficiencies of the Law with regard to the subject matter of the Article were delineated, the resolution of which will facilitate its effective implementation and transparent activities of lobbyists in Ukraine.

Keywords: lobbyism, Law of Ukraine "On Lobbying", lobbying entity, lobbying activities, Transparency Register, National Agency on Corruption Prevention.

JEL Classification: K20, K23, D72

1. Introduction

The practice of lobbying in Ukraine is a relatively recent legal institution that is currently undergoing active formation and development. Its emergence can be attributed to transformational processes related to the establishment of a market economy, the expansion of the role of the private sector, and Ukraine's gradual integration into the European legal and economic space.

The text goes on to explain that the social significance of entrepreneurship lies in its role in uniting the most important spheres of society, namely entrepreneurship, public administration and public policy. While politics and administration are factors that structure and organise the social and economic life of society, entrepreneurship is designed to directly increase the material and intellectual wealth of the nation.

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In this context, lobbying is regarded as a contemporary model of interaction between the State and business, aimed at the legitimate representation of stakeholders' interests in the process of formulating and implementing public policy. In order for lobbying to fulfil its constructive role, it is necessary to establish a clear, coordinated, and effective system of regulatory and legal regulation governing lobbying activities. This system must promote transparency in the law-making process, balance public and private interests, reduce corruption risks, and improve the quality of management decisions.

The Law of Ukraine "On Lobbying", which came into force on January 01, 2025, was adopted with the aim of regulating this activity so that influence on law-making entities would be exerted legally, i.e., not through bribery or blackmail, but through communication, presentation of research, public events, information campaigns, etc. Concurrently, the financing and methodologies employed in exerting such influence on a designated public figure will be accessible and transparent.

The purpose of this article is twofold: firstly, to highlight the novelties for entrepreneurs related to the adoption of the new Law of Ukraine "On lobbying"; and secondly, to define some problematic issues related to its enforcement.

2. Historical Background

Attempts to regulate lobbying activities in Ukraine have been ongoing for a long time. Back in 1999, two draft laws were registered: No. 3188 (On Lobbying in Ukraine) and No. 3188-1 (On the Legal Status of Groups United by Common Interests (Lobbying Groups) in the Verkhovna Rada of Ukraine). Later, in 2005, No. 8429 (On the Activities of Lobbyists in the Verkhovna Rada of Ukraine) was registered, followed by No. 7269 (On the Regulation of Lobbying Activities in Ukraine) in 2010. In 2016, Nos. 5144 (On Lobbying) and 5144-1 (On Lobbyism) were registered (Opora, 2023).

In 2020, draft law No. 3059 (On the State Registration of Lobbying Entities and Lobbying in Ukraine) was introduced, providing for the comprehensive regulation of lobbying activities. Notably, it defined lobbying entities and outlined their rights and responsibilities. A key tool for ensuring transparency was to be an open and free-to-access electronic register of lobbying entities. The law requires lobbyists to disclose information about their contracts, clients and sources of funding. The law would establish mechanisms for controlling lobbyists' activities, assign relevant functions to the Minister of Justice and provide for liability for violations of its requirements.

Along with the one discussed, three alternative bills were introduced: No. 3059-1 (On Lobbying);

No. 3059-2 (On the Legal and Transparent Regulation of Lobbying Activities); No. 3059-3 (On Lobbying Activities) Despite such a significant number of legislative initiatives, previous attempts to regulate lobbying in Ukraine have failed for a variety of reasons. Above all, the draft laws themselves were imperfect, failing to take into account international experience and the views of those with a stake in the matter.

3. Regulatory and Compliance Requirements

However, this issue had to be solved as legislative regulation of lobbying processes was also provided for in: 1) the Anti-Corruption Strategy for 2021–2025 (which outlined the problem of non-transparency and non-publicity of the activities of entities that influence (lobby) parliamentary decision-making and proposed a solution – ensuring effective regulatory and legal regulation of the activities of influential entities (lobbying)) (National Agency on Corruption Prevention, 2021); 2) the State Anti-Corruption Programme for 2023 –2025, which emphasised the lack of legislative regulation of lobbying activities that would prevent the spread of corrupt practices in the process of interaction between the representatives of various interest groups and representatives of government authorities, ensure transparency and openness in public decision-making (The Resolution of the Cabinet of Ministers of Ukraine "On Approval of the State Anti-Corruption Programme for 2023-2025", 2023); 3) the Action Plan to Prevent Abuse of Excessive Influence by Persons of Significant Economic and Political Weight in Public Life (Oligarchs), which focuses on ensuring the transparency of the activities of persons who attempt to influence the content of draft legislation or administrative decisions (lobbying), limiting the corruption risks associated with such activities, and proposing specific steps to achieve these goals (The Resolution of the Cabinet of Ministers of Ukraine "On Approval of the Action Plan to Prevent Abuse of Excessive Influence by Persons of Significant Economic and Political Weight in Public Life (Oligarchs)", 2021).

In addition, the adoption of a regulatory act governing the principles of lobbying was envisaged in the documents of international partners, in particular in: 1) the European Commission's Report on Ukraine for 2023 dated November 08, 2023, which recommended adopting a law on lobbying in line with the European standards, regulating the interaction of officials of State and local government bodies with interested parties and lobbyists, and establishing transparent mechanisms for monitoring this activity by creating a Transparency Register (Cabinet of Ministers of Ukraine, 2024); 2) the 24th annual Report of the Group of States against Corruption (GRECO), which emphasises that effective regulation of lobbying

in GRECO Member States is still in its infancy. While it is positive that states are gradually introducing registration and reporting requirements for lobbyists, this process has not yet been completed in all countries. As lobbying is becoming increasingly prevalent, it is crucial to implement transparency measures to safeguard the integrity of the decision-making process. However, adopting rules alone is not enough. These must be accompanied by effective enforcement, monitoring and review mechanisms. Additionally, the 'other side of the equation' must be addressed: parliamentarians must also be given clear instructions on how to interact with lobbyists in an ethical and transparent manner (Group of States against Corruption (GRECO), 2023).

4. Main Provisions of the Law

Therefore, the Ukrainian law on lobbying, signed by President Volodymyr Zelenskyy at the end of 2024 and enacted in early 2025, created a legal framework for lobbying activities in Ukraine in accordance with international standards. This framework provides for regulatory control of interactions between officials and lobbyists, transparent activity mechanisms, and an effective control system for lobbying. Adopting it was a significant step for Ukraine on its path to European integration.

One of the most controversial issues during the drafting of the law was deciding which entities should be subject to its requirements. Two main approaches to limiting the scope of regulation were considered: 1) excluding non-profit organisations (it was initially proposed to place public and other non-profit organisations in a separate category outside the scope of the law); 2) limiting it to "external" lobbyists only (it was discussed whether to extend the provisions of the law exclusively to persons who engage in lobbying on a contractual basis, i.e., external consultants, while excluding businesses representing their own interests through in-house GR specialists, i.e., in-house lobbyists).

However, the final version of the law adopted a more comprehensive approach, recognising all of the above categories – including non-profit organisations and in-house GR specialists – as lobbying entities provided they engage in such activities. According to the aforementioned regulatory act, a lobbying entity may be a natural person with full legal capacity; a legal entity under private Ukrainian law; or a foreign legal entity with a representative office in Ukraine. At the same time, restrictions are established whereby the following persons cannot be subjects of lobbying:

A person authorised to perform the functions of the State or local self-government during their tenure in the relevant position and for one year after their dismissal from office or termination of their powers in office;

- a natural person who has been convicted of a criminal offense or who has been subject to administrative penalties for committing a corruption-related offense, or who has been subject to administrative penalties in the form of a ban on lobbying;
- a natural person who does not have full civil capacity;
- a State authority, other State body, local government body, or legal entity under public law;
- a natural or legal person included in the list of persons associated with terrorist activities, or against whom international sanctions or restrictive measures (sanctions) have been imposed in accordance with the Law of Ukraine "On Sanctions";
- legal entities associated with an aggressor state, in particular those with separate branches and divisions operating in such a state;
- entities engaged in law-making activities, as defined by the Law of Ukraine "On Law-Making Activities";
- legal entities against which criminal law measures have been applied within the last five years pursuant to a final judgment;
- media;
- political parties and local organizations of political parties;
- religious organisations;
- candidates for elected office in the presidential elections of Ukraine, elections of people's deputies of Ukraine, and local elections (Law of Ukraine "On lobbying", 2025).

These restrictions are necessary to avoid conflicts of interest and abuse of office.

According to the National Classifier of Ukraine "Classifier of Economic Activities" (CLASSIFICATION OF ECONOMIC ACTIVITIES DK 009:2010), lobbying is defined as a form of entrepreneurial activity covered by more general categories, in particular: class 70.22 "Consulting on commercial activities and management" (includes consulting on public relations and communications); class 82.99 "Provision of other auxiliary commercial services" (may cover activities related to representing interests); class 74.90 "Other professional, scientific, and technical activities" (often considered the most relevant, as it includes advocacy, mediation in commercial transactions, etc.) (Order of the State Committee of Ukraine for Technical Regulation and Consumer Policy "Classification of Economic Activities DK 009:2010", 2010).

A lobbying entity has a wide range of rights, including the right to represent commercial interests, access administrative buildings and information on lobbying targets and government agencies, participate in meetings on issues related to lobbying and influence the regulatory process by submitting analytical materials or initiating draft regulations. They also have the right to disseminate data about their activities freely through the media and receive information about planned events related to lobbying.

At the same time, they have a number of responsibilities aimed at ensuring legality and transparency. Thus, they are required to act within the law and adhere to ethical principles, avoiding conflicts of interest and providing no undue benefits.

A key responsibility is to ensure transparency. Officials must be kept informed of activities and clients, only reliable information must be provided, and reports must be submitted to the Transparency Register in a timely manner. Financial discipline requirements have also been established, particularly with regard to the use of non-cash payments and permitted sources of funding only.

A lobbying entity's status is terminated from the moment the NACP submits the relevant information to the Transparency Register. Termination may be voluntary (i.e., submission of an application by the lobbyist) or compulsory. The latter include violations identified by the NACP or a court, such as intentional violations of restrictions, as well as objective circumstances such as the death of an individual or the dissolution of a legal entity.

The termination procedure differs in each case. In the event of voluntary termination, the status is revoked upon submission of the application. If termination is initiated by the NACP due to a violation, however, a 30-day review period is conducted during which the lobbyist may provide explanations.

Re-acquisition of status is possible upon submission of a new application. However, if the status was forcibly terminated due to violations, re-registration is only possible after two years, provided that the identified violations have been remedied. The NACP considers applications for the re-acquisition of lobbying status within 30 days of receipt.

5. Requirements for Transparency

A fundamental component of the recently implemented transparency regime in the domain of lobbying is the Transparency Register, which commenced operation upon the enactment of the aforementioned legislation. The Register is an information and communication system that collects, stores, protects, records, displays, processes, and provides information about lobbying entities and their reports. The Register's data is open and publicly available, except in cases provided for by law. The Register offers access to a comprehensive registry of registered lobbying entities, irrespective of their current status. It also provides a hyperlink that enables users to access the public electronic cards of these entities.

The objective of the Register is to provide information regarding lobbying entities and their reporting. The system is designed to perform several primary functions, including the collection and organisation of information regarding lobbying entities. It is also

responsible for the submission and storage of their reports, as well as the provision of open and free access to this information, with the exception of restricted data (The Resolution of the Cabinet of Ministers of Ukraine "Certain Issues Concerning the Creation and Functioning of the Transparency Register", 2024).

Registration in the system is a prerequisite for acquiring the status of a lobbying entity and commencing legal activity. In order to initiate this process, the interested party (natural or legal person) is required to submit their identification and contact details, specify the area of lobbying (the sector in which the activity is planned), and the sources of its funding. The source of funding for lobbying cannot be funds and other resources received from persons authorised to perform functions of the State or local self-government, individuals who are citizens or residents of a state that is carrying out armed aggression against Ukraine; State authorities, other State bodies, local self-government bodies, legal entities under public law; a natural or legal person included in the list of persons associated with terrorist activities or subject to international sanctions; the media; political parties and local organisations of political parties, candidates for elected office in the presidential elections of Ukraine, elections of people's deputies of Ukraine, local elections; a foreign state recognised by law as an occupying state and/or aggressor state in relation to Ukraine; legal entities and other organisations that are fully funded by such a state, registered or located in such a state; State and local budget funds.

The law does not stipulate a definitive list of lobbying areas; however, it does delineate the scope of public relations activities in which lobbying entities may engage, or are engaged. In view of this, the National Agency on Corruption Prevention (NACP), in conjunction with interested parties, has compiled a list of lobbying areas for the convenience of entering relevant data during registration in the Register. These include anti-corruption policy, agricultural and land policy, veteran policy, humanitarian policy, cultural policy, tourism policy, and information policy, the state budget, reintegration of temporarily occupied territories of Ukraine, economic development, regulatory policy, property, etc. The list is comprehensive in nature, encompassing a total of 23 distinct domains of public life. Each domain is characterised by a comprehensive yet not exhaustive array of issues, which are elucidated in the Information Guide on the Application of Lobbying Legislation, a document available on the official website of the Agency (National Agency on Corruption Prevention, 2025).

Lobbyists are obliged to submit reports on their activities biannually: by July 31 (covering the initial six months) and by January 31 (for the subsequent six months). The initial reporting period corresponds to the first half of 2025.

It is imperative that the electronic report contains comprehensive information in order to ensure transparency. This encompasses the identification particulars of the lobbyist and the client or beneficiary with whom he or she is associated, the subject of lobbying (comprising information on specific issues and bodies that were lobbied), and financial information. It is imperative to disclose the price of contracts, the amount of funds received from the client for the reporting period, and the amount spent on lobbying in one's own interests or in the interests of the beneficiary (in the established ranges: up to 100,000 UAH; 100,000 UAH–1 million; 1–10 million UAH; over 10 million UAH). Furthermore, the report is required to contain information regarding meetings with high-ranking officials, as well as contributions to political parties and election funds. In this regard, the report must specify the names of the contributors, the amount contributed, the type of contribution, and the date of the contribution.

The reporting information is entered by the lobbying entity using the Registry's software tools. Following the completion of all mandatory fields on the document form during the registration or submission of the report, the creator must then sign the document by applying an electronic signature. Completion of the report for the current period is available in the lobbying entity's account immediately following registration by creating a draft report, which can be continuously supplemented. The law does not provide for the submission of a paper form of the report.

The stipulated timeframe for submission to the Register is explicitly delineated. It is evident that a lobbying entity is required to register on the day it commences its activities. Furthermore, it is obligated to update its data within 10 days of any changes, and to submit reports for each half-year within the deadlines established by law (by July 31 and January 31).

The registrar (NACP) is obliged to submit a report on the termination or renewal of a lobbying entity's status within five days of the occurrence of the relevant grounds (i.e., the receipt of an application, the completion of a check, or the expiry of a prohibition period) (The Law of Ukraine "On Lobbying", 2025).

6. The Shortcomings of the Law

A review of the main innovations of the Law of Ukraine "On Lobbying" has therefore been conducted, with a particular focus on the specifics of the activities of a natural or legal person engaged in lobbying on legal grounds. Nevertheless, despite the seemingly comprehensive legal regulation, challenges may still be encountered by lobbying entities in the course of their activities.

It is argued that the most significant issue is the absence of clear explanations regarding the practical

application of the Law. To address this issue, the NACP has published an information guide on the application of lobbying legislation, which is rather advisory in nature and does not provide explanations on a number of critical issues, such as: 1) does not contain information for individuals and organisations that may be mistakenly classified as lobbyists, as well as does not provide explanations how to avoid such classification; 2) does not provide clear criteria for distinguishing between activities aimed at influencing and those that do not have such an objective; 3) does not specify the concept of "commercial interest", i.e., does not explain what activities do not relate to commercial interests, or whose commercial interests (own, client's, beneficiary's) are a qualifying feature of lobbying.

Indeed, depending on the interpretation, the concept of "commercial interest" can be interpreted too broadly, allowing virtually any public interest defended by, for example, public organisations to be included. In contrast to political parties and the media, the activities of the latter are not directly excluded from the scope of the Law, which engenders significant risks. This could result in limitations to the freedom of speech, freedom of association, and, in general, the freedom of activity of public associations. Consequently, in practical application, the concepts of "commercial interest" and "subject of lobbying", in addition to the scope of application established by the Law, are determinative for classifying the activity as lobbying.

The operation of the Transparency Register gives rise to numerous inquiries, chiefly concerning its non-compliance with the stipulated requirements of the Law with regard to search functionalities. The latter stipulates that users should be able to search by various parameters (field, subject of lobbying, etc.), but in practice, searches are only possible by entity name. Furthermore, it is currently impossible to view the complete register of lobbyists; only the total number is available (141 at the time of article submission, of which 134 are active). This limited functionality undermines the concept of transparency, reducing the Register to a mere formal tool. In order to enable effective monitoring and encourage public and journalistic involvement in this process, the Register's search capabilities must be urgently expanded and its data made more open and accessible.

In addition, entities engaged in lobbying may experience difficulties when entering registration information and submitting reports to the Register. This is because strict reporting requirements must be submitted twice a year and are combined with constant monitoring by the NACP. Only 10 working days are given to correct any errors found.

Furthermore, lobbyists are required to update all information about their activities promptly. Along

with the complex technical registration procedures, this makes the administrative process cumbersome and necessitates ongoing legal support.

It should be noted that the NACP has developed instructions for registering with and using the public part of the Register. However, analysis of these instructions reveals that they are overly complex and confusing. At first glance, they are difficult for an untrained user to understand. Working with them, particularly in the initial stages, demands considerable time and effort to grasp the technical intricacies of the system's operation and the particulars of the numerous fields within the electronic office. This creates an additional barrier for lobbying entities and may complicate the legalisation process.

7. Conclusions

Thus, the Ukrainian law "On Lobbying" is a modern regulatory act that complies with international standards. It establishes a legal framework for transparent and accountable interest representation, promoting European integration, combatting corruption and strengthening democratic institutions.

However, several key tasks need to be addressed for its effective implementation. Firstly, the NACP must develop detailed explanations of the concepts of "commercial interest" and "subject of lobbying", as these are crucial for determining whether an activity constitutes lobbying. This will assist in differentiating between activities related to commercial interests and those not related to them, as well as clarifying whose interests (own, client's, beneficiary's) are the qualifying feature for classifying an activity as lobbying.

Secondly, the Transparency Register's limited search capabilities impede effective public monitoring. Consequently, there is a call to expand the Register's search functionality, rendering its data more open and accessible.

Thirdly, lobbying entities encounter considerable challenges due to the intricate technical aspects and particularities of completing numerous fields in the electronic office. Consequently, the NACP should organise supplementary training and provide explanations to lobbyists on how to work with the Registry in order to overcome technical and content-related difficulties when working with it.

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