

**RULING**

On April 11, 2022 the investigating judge of Lychakivsky District Court of the city of Lviv Hyrych S.V., in the presence of secretary Lipchanska A.V., prosecutor Dolbeshchenkov D.O., having reviewed the pleading of the Prosecutor General Venediktova I.V. in criminal proceeding, which is included in the Unified Register of pre-trial investigations for № 22016130000000212 dated September 19, 2016 for the transfer into the management of the property seized in criminal proceeding.

**HAS DETERMINED:**

the prosecutor, as a party to the criminal proceedings, applied with pleading to the investigating judge of the Lychakivsky District Court of the city of Lviv to transfer to the National Agency of Ukraine for Finding, Tracing and Management of Assets, Derived from Corruption and Other Crimes of the property, which was seized in criminal proceeding № 22016130000000212 dated 19.09.2016 by the ruling of the investigative judge of the Lychakivsky District Court of the city of Lviv on March 16, 2022.

The pleading is substantiated by the fact that the State Bureau of Investigation is in the process of criminal proceedings № 22016130000000212 dated September 19, 2016. During the pre-trial investigation MEDVEDCHUK V.V. reported on suspicion of committing crimes under Part 2 of Article 28 Part 1 of Article 111 and Part 2 of Article 28 Part 1 of Article 258-3 of the Criminal Code of Ukraine. The investigation believes that the money received as a result of the commission of the mentioned criminal offenses can be used to purchase movable property - a vessel (yacht) ROYAL ROMANCE, manufactured in 2015 (type of vessel: houseboat, IMO number: 1012268, Call sign: ZGEX4, MMSI: 319084100, Flag: Cayman Island), the ownership of which was registered on 15.07.2015 by FREGATA MARINE LTD. According to the declaration of the People's Deputy of Ukraine MEDVEDCHUK Viktor Volodymyrovych for 2020, the ultimate beneficiary of this non-resident legal entity is his wife MARCHENKO O.M., therefore, based on the ruling of the investigating judge, the mentioned property was seized. According to the letter of the National Agency (ARMA) dated March 15, 2022 No. 1466/2-25-22/17, the vessel (yacht) is in the port of the city of Rijeka (Croatia), meets the criteria defined by Article 100 of the Criminal Procedure Code of Ukraine and can, without prejudice to criminal proceedings be transferred into the management of the National Agency. The seized vessel has dimensions, weight characteristics that allow it to be considered cumbersome, it is located abroad of Ukraine, requires special storage conditions, the owners take measures to conceal it, which makes it impossible to store it without unnecessary difficulties. In addition, according to the international practice mentioned above (G8 Best Practices for the Administration of Seized Assets), vessels are assets that quickly deteriorate or decrease in value, and therefore the mentioned movable property can be transferred to the National Agency for disposal. Given that measures have been taken by property owners to conceal property from sanctions, the prosecution has reasonable grounds to believe that it is not possible to obtain permission from the owner to transfer the seized property into management to the National Agency.

The prosecutor at the court hearing supported the pleading on similar grounds.

The suspect MEDVEDCHUK V.V., who is a People's Deputy of Ukraine and whose whereabouts are currently unknown, has been notified of the consideration of the pleading to the address of the place

of work - the Verkhovna Rada of Ukraine, since, according to the investigation data, he is not at the place of residence and registration. In addition, this pleading was submitted by the Prosecutor General, in compliance with the provisions of this rule.

Therefore, with this in mind, the investigating judge concludes that the pleading should be considered in the absence of the suspect.

In addition, the court agrees with the arguments of the prosecutor that, in order to ensure the execution of the seized property transfer, taking into account the provisions of part 7 of article 100 of the Criminal Procedure Code of Ukraine and part 2 of article 172 of the Criminal Procedure Code of Ukraine, the Court consider it possible to consider the pleading without the persons, in whose actual possession was the seized property.

Having considered the submitted materials of the pleading, the Court comes to the following.

As it transpires from the materials available, MEDVEDCHUK V.V. in the criminal proceedings No. 2201613000000212 dated September 19, 2016, is suspected of committing criminal offenses under Part 2 of Article 28, Part 1 of Article 111, Part 2 of Article 28, Part 1 of Article 258-3 of the Criminal Code of Ukraine.

On February 19, 2021, by the Decree of the President of Ukraine No. 64/2021, the Decision of the National Security and Defense Council of Ukraine dated February 19, 2021 "On the application and amendment of personal special economic and other restrictive measures (sanctions)" was put into effect, which applied personal special economic and other restrictive measures (sanctions) against MEDVEDCHUK V.V. and MARCHENKO O.M.

It is also recognized, the investigation has reason to believe that the money received as a result of the commission of these criminal offenses could have been used to purchase movable property, namely a vessel (yacht) ROYAL ROMANCE, manufactured in 2015 (type of vessel: houseboat, IMO number: 1012268, Call sign: ZGEX4, MMSI: 319084100, Flag: Cayman Islands), the ownership of which was registered on 15.07.2015 by FREGATA MARINE LTD. According to the declaration of the People's Deputy of Ukraine MEDVEDCHUK Viktor Volodymyrovych for 2020, the ultimate beneficiary of this non-resident legal entity is his wife MARCHENKO O.M.

On March 31, 2021, the ownership of the vessel (yacht) ROYAL ROMANCE, manufactured in 2015 (type of vessel: houseboat, IMO number: 1012268, Call sign: ZGEX4, MMSI: 319084100, Flag: Cayman Islands) was re-registered to another non-resident legal entity LANELIA HOLDINGS LTD (Trust Company Complex, Ajeltake Road, Ajeltake, Majuro MH 96960, Marshall Islands), which indicates that the suspect MEDVEDCHUK V.V. after the application of personal special economic and other restrictive measures (sanctions) to him and MARCHENKO O.M. tries to avoid sanctions, and also in order to avoid confiscation of property, tries to hide material evidence in criminal proceedings.

As seen from the ruling of the investigating judge of the Lychakivsky District Court of the city of Lviv dated March 16, 2022, the property of a non-resident legal entity LANELIA HOLDINGS LTD (Trust Company Complex, Ajeltake Road, Ajeltake, Majuro MH 96960, Marshall Islands), namely a vessel (yacht) ROYAL ROMANCE, manufactured in 2015 (type of vessel: houseboat, IMO number: 1012268, Call sign: ZGEX4, MMSI: 319084100, Flag: Cayman Islands) was seized.

According to paragraph seven of part six of Article 100 of the Criminal Procedure Code of Ukraine, material evidence of value exceeding 200 subsistence minimums for working population, if possible without prejudice to criminal proceedings, shall be transferred with the written consent of the owner, and in its absence – by decision of the investigating judge or court to the National Agency of Ukraine for finding, tracing and management of assets derived from corruption and other crimes, for the purpose of taking measures to manage them in order to preserve them or preserve their economic value, and material evidence of the same value referred to in paragraph one of this part – for the purpose of selling them

subject to features stipulated by the law.

On April 27, 2005, the Group of Eight (G8) approved Best Practices for the Administration of Seized Assets within the subgroup on criminal law. As stated in the relevant recommendations, they are aimed, in particular, at assisting states in maintaining the value of seized assets. In this respect, one of the key recommendations is that in judicial proceedings, in accordance with national law, the sale of assets should be allowed before the final court decision on the case and the application of measures for confiscation or recovery of assets to the revenue of the State in respect of those that are in the form of quickly perishable goods or assets rapidly declining in value, such as vessels, aircraft, cars, animals, crop farms, etc. The State should ensure that consideration is given to granting permission to sell before a final court decision is made on assets that are too burdensome to manage. In turn, the funds received from the sale shall be preserved in accordance with national legislation until a final court decision is made and measures for the confiscation or recovery of assets into the state revenue are applied. In addition, according to the world practice mentioned above, vessels are assets that quickly deteriorate or rapidly depreciate in value.

According to the part one of Article 19 of the Law of Ukraine "On the National Agency of Ukraine for finding, tracing and management of assets derived from corruption and other crimes", the National Agency manages assets seized in criminal proceedings. These assets are accepted for management on the basis of a ruling of the investigating judge, the court or the consent of the asset owner.

From the materials of the criminal proceedings it can be seen that the vessel (yacht) ROYAL ROMANCE, manufactured in 2015 (type of vessel: houseboat, IMO number: 1012268, Call sign: ZGEX4, MMSI: 319084100, Flag: Cayman Islands) with an estimated value of 200 million US dollars, according to the letter of the National Agency (ARMA) dated 15.03.2022 №1466/2-25-22/17 is in the port of the city of Rijeka (Croatia), meets the criteria which set out in Article 100 of the Criminal Procedure Code of Ukraine and can be transferred into the management of the National Agency without prejudice to criminal proceedings.

Considering the above, since the vessel (yacht) ROYAL ROMANCE, manufactured in 2015 (type of vessel: houseboat, IMO number: 1012268, Call sign: ZGEX4, MMSI: 319084100, Flag: Cayman Islands) recognized as material evidence in criminal proceedings, does not contain criminal offense traces, meets the criteria which set out in Article 100 of the Criminal Procedure Code of Ukraine, its value is more than 200 subsistence levels for able-bodied persons, and therefore the investigating judge agrees with the pleading to transfer these funds into the National Agency's management. At the same time, the investigating judge believes that this will not harm the criminal proceedings, but on the contrary will ensure the achievement of the objectives of criminal proceedings, help preserve evidence and increase their economic value, protect against direct or indirect influence and encroachment on seized property, and carry out measures to manage it in order to ensure the inevitability of negative consequences for the commission of a criminal offense by depriving persons of economic benefits, resulting from illegal behavior, as well as preventing such persons from receiving any benefits as a result of committing a criminal offense, in particular, proceeds from it.

Guided by the requirements of Art. Art. 117, 170-173, 309, 395 of the CPC of Ukraine,

### **HAS RULED:**

the pleading to satisfy.

To transfer seized property to the National Agency of Ukraine for finding, tracing and management of assets derived from corruption and other crimes for the Purpose of Implementing Measures to Manage Property Seized in Criminal Proceedings and for its disposal in the Procedure and under the Conditions

of Art. 19, 21 of the Law of Ukraine "On the National Agency of Ukraine for finding, tracing and management of assets derived from corruption and other crimes":

- property of a non-resident legal entity LANELIA HOLDINGS LTD (Trust Company Complex, Ajeltake Road, Ajeltake, Majuro MH 96960, Marshall Islands), namely: vessel (yacht) ROYAL ROMANCE, manufactured in 2015: type of vessel: houseboat, IMO number: 1012268, Call sign: ZGEX4, MMCI: 319084100, Flag: Cayman Islands), which according to the letter of the National Agency (ARMA) dated 15.03.2022 №1466/2-25-22/17 is located in the port of the city of Rijeka (Croatia), which by the decision of the investigating judge of the Lychakivsky District Court of the city of Lviv dated 16.03.2022 in the case № 463/1712/22 (proceedings № 01-ks/463/1248/22) was seized in the criminal proceedings № 22016130000000212 dated 19.09.2016.

The ruling is subject to immediate execution.

The ruling of the investigating judge may be appealed directly to the Lviv Court of Appeal within five days from the date of its announcement.

The full text of the ruling was issued on April 13, 2022.

**Investigating Judge**      [the official seal] [signature]

**S. HYRYCH**