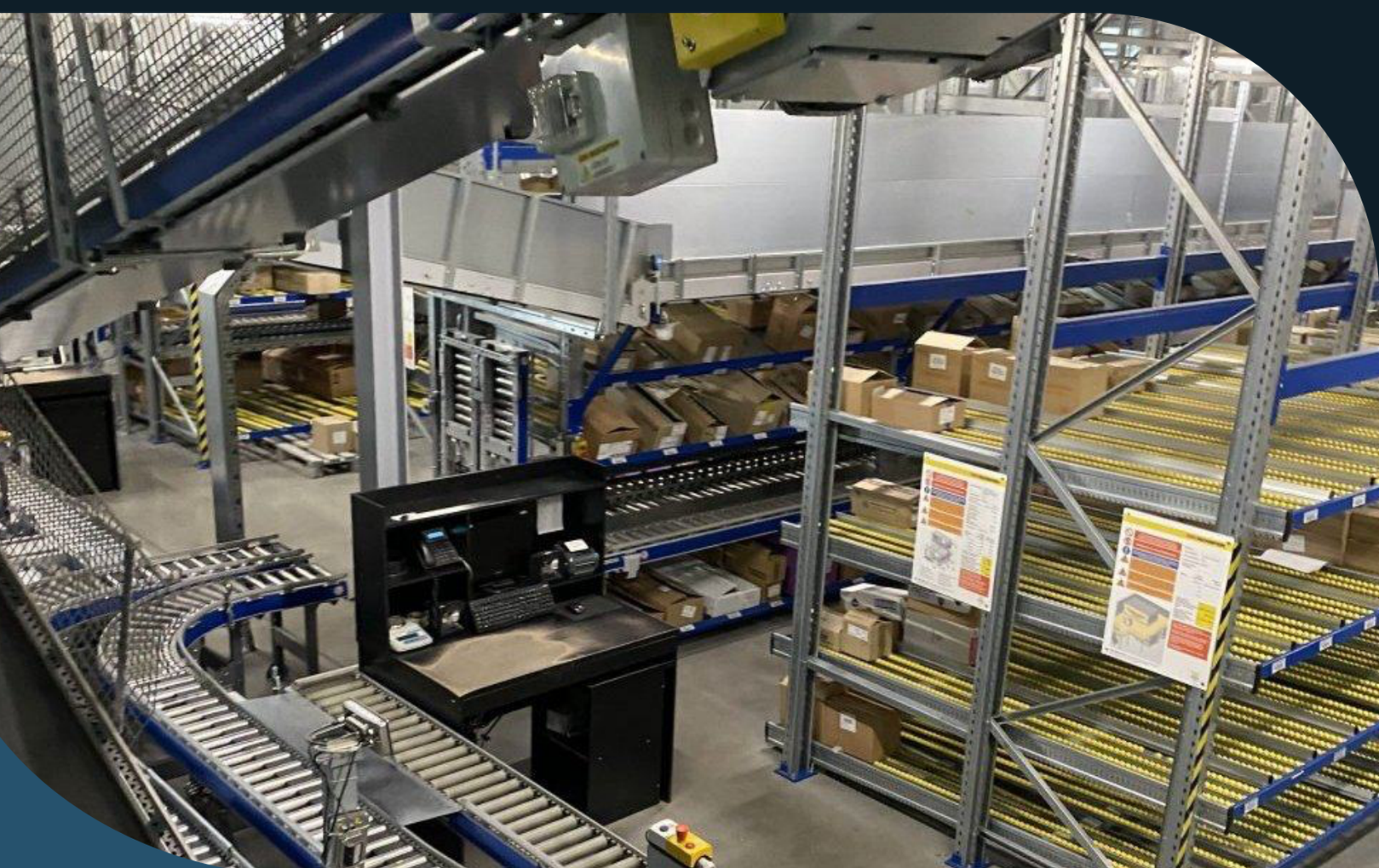
Institute of legislative ideas

ANALYTICAL NOTE No. 17

Management of corporate rights in VENTA.LTD LLC



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This research was prepared by the Institute of Legislative Ideas (ILI) with the support of the Organized Crime and Corruption Reporting Project (OCCRP) as part of the project "Closing the Gaps: Monitoring ARMA to Prevent the Diversion of Sanctioned and Corruption-Linked Assets."

The Institute of Legislative Ideas focuses on the practical aspects of transferring seized assets into management, including for the purpose of their subsequent sale. The analysis examines the types of assets transferred into management, recurring challenges arising at different stages of the process, and systemic factors hindering effective asset management. Based on the monitoring findings, recommendations have been developed to improve the relevant procedures and regulatory framework.

This publication reflects the views of the Institute of Legislative Ideas and does not necessarily represent the views of the Organized Crime and Corruption Reporting Project (OCCRP).

The research was conducted using the YouControl analytical system.

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Executive summary

This study was prompted by an analysis of information provided by the Asset Recovery and Management Agency (ARMA) on revenues generated from the management of seized assets in June 2026. In one of its responses, the Agency stated that the 24% equity interest in VENTA.LTD LLC owned by KATREN JSC was managed by the KRAINA RESIDENCE Consortium. However, I.K.VEL LLC had been selected as the manager of this asset following an open tender on Prozorro, and no information concerning termination of its agreement, a new tender or transfer of the asset to another manager was available from public sources.

We submitted a separate information request to ARMA asking it to confirm the current manager and explain the legal and factual grounds for any replacement of I.K.VEL LLC with the KRAINA RESIDENCE Consortium, as well as to provide the relevant transfer documents.

ARMA reported that no change of manager had occurred and that the reference to the KRAINA RESIDENCE Consortium resulted from a clerical error made when preparing an Excel spreadsheet. According to the Agency, the consortium manages another asset, while I.K.VEL LLC remains the manager of the corporate rights in VENTA.LTD LLC under the agreement dated 6 June 2025.

Further examination of court records established that the status of I.K.VEL LLC had indeed been disputed. In late 2025, ARMA decided to terminate the management agreement early because of the manager's links to one of the shareholders of VENTA.LTD LLC and the alleged submission of inaccurate information during the tender. I.K.VEL LLC challenged that decision. On 22 April 2026, the Commercial Court of Kyiv declared ARMA's unilateral termination of the agreement invalid.

As a result, the management agreement with I.K.VEL LLC remained in force. However, the actual transfer of the asset into management was significantly delayed. According to ARMA, the corporate rights were transferred to the asset manager on 17 and 22 July 2026, more than a year after the agreement was concluded. In August and September 2026, funds generated from the management of the asset began to be credited to ARMA's accounts, totalling UAH 1,509,677.42. Despite these financial results, the case raises concerns regarding the timeliness of the asset transfer, the vetting of the prospective asset manager, and the organisation of the management process for seized assets.

1. Background and scope of the study

VENTA.LTD LLC is one of Ukraine's largest pharmaceutical distribution companies, supplying medicines, medical products and dietary supplements.

In 2025, ARMA held an open tender to select a manager for the 24% equity interest in VENTA.LTD LLC owned by KATREN JSC. I.K.VEL LLC was selected as the winner, and a management agreement was concluded with it on 6 June 2025. We have previously analysed the status of this asset and the problems that arose. In view of newly identified circumstances, however, we decided to conduct a follow-up study.

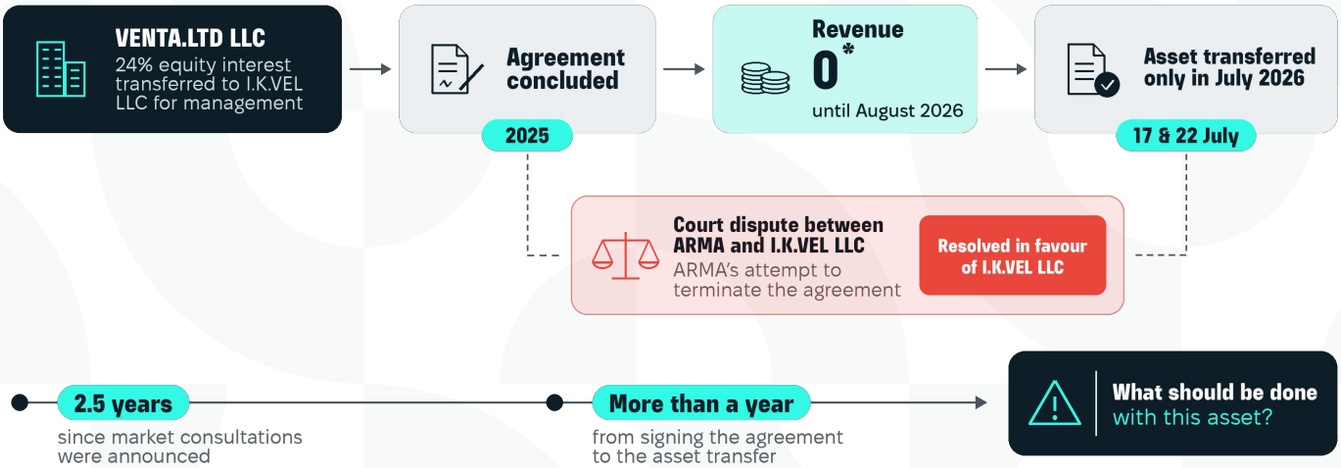
In July 2026, while reviewing ARMA's response concerning revenues from asset management, we discovered that the Agency's spreadsheet identified the KRAINA RESIDENCE Consortium as the manager of those corporate rights. Yet the consortium had not participated in the tender won by I.K.VEL LLC, and there was no publicly available information about a new procedure or a change of manager.

We submitted a request to ARMA asking it to clarify who managed the asset and to provide the grounds and procedure for any change of manager, including the relevant decisions, agreements and transfer documents.

In its response, ARMA explained that the reference to the KRAINA RESIDENCE Consortium was the result of a technical error. When data were entered into the spreadsheet, the corporate rights in VENTA.LTD LLC were mistakenly attributed to the consortium's agreement, although that agreement actually concerned a non-residential building at 71-B Velyka Vasylkivska Street in Kyiv. The Agency also stated that there had been no procedure to replace the manager, no new agreement and no transfer of corporate rights to the KRAINA RESIDENCE Consortium.

According to ARMA's official position as of the date of its response, I.K.VEL LLC remains the manager under the agreement dated 6 June 2025.

At the same time, further research revealed that, between the conclusion of the agreement in 2025 and ARMA's response in August 2026, a court dispute had arisen over the Agency's attempt to terminate the agreement.



* In August–September 2026, revenue from managing the asset totalled UAH 1,509,677.42

2. Management circumstances and the court dispute

At the time of the tender to select an asset manager, Oleksandr Voloshyn controlled 90.5% of I.K.VEL LLC while also owning 70% of VENTA.LTD LLC. Thus, the successful bidder for management of the seized 24% equity interest was controlled by a person who held a majority stake in the company itself.

After the agreement was concluded, the actual transfer of the corporate rights was delayed for some time because of uncertainty over whether merger clearance from the Antimonopoly Committee of Ukraine (AMCU) was required. In October 2025, the AMCU issued a preliminary opinion stating that such clearance was unnecessary, after which ARMA indicated that the asset transfer could be completed.

However, on 31 December 2025, ARMA announced its intention to replace the manager, and on 30 January 2026 it sent I.K.VEL LLC a notice of early termination of the agreement effective 9 February 2026. The Agency justified its decision by citing the manager's links to VENTA.LTD LLC and the submission of inaccurate information during the tender procedure.

I.K.VEL LLC challenged ARMA's unilateral termination before the Commercial Court of Kyiv in case No. 910/1928/26. The claimant sought to have ARMA's termination declared invalid, to confirm that the agreement remained in force, and to require the Agency to remove information about its termination.

By its judgment of 22 April 2026, the court declared ARMA's unilateral termination of the agreement invalid and ordered the Agency to remove the relevant notice from its website. ARMA did not appeal the judgment, which therefore became final.

The central issue in the case was the interpretation of the provision relied upon by ARMA as the legal basis for terminating the management arrangement. That provision permitted termination of the agreement if the manager was related to the owner of the seized asset. The owner of the seized 24% equity interest is KATREN JSC. By contrast, the Agency sought to establish a link between I.K.VEL LLC and VENTA.LTD LLC through Oleksandr Voloshyn, who owned 70% of the latter.

The court distinguished between the owner of the seized asset and the other shareholders of the company. It concluded that the manager's connection to another shareholder of VENTA.LTD LLC did not, in itself, establish a connection to KATREN JSC. ARMA had provided no evidence of such a connection. This was the principal ground for declaring the unilateral termination of the agreement invalid.

Another significant consideration is that, according to the case materials, information about the ownership structure of I.K.VEL LLC was included in the documents submitted for the tender. ARMA therefore had access to information about the manager's owners even before selecting the winner. This calls into question the argument that the relevant circumstances had been concealed and also highlights the need for proper verification of such links at the tender selection stage.

It should also be noted that Oleksandr Voloshyn ceased to be a shareholder of I.K.VEL LLC on 14 January 2026. Control of the legal entity subsequently changed, but the manager itself remained the same contracting party.

Following the court proceedings, the agreement with I.K.VEL LLC remained in force, and the court did not appoint another manager. The materials reviewed also contain no information about a new tender for this asset in 2026.

The issue of the actual transfer of the corporate rights was subsequently clarified through additional requests for information submitted to ARMA. Following the court ruling, in June 2026, the Agency stated that the court had found no legal grounds for disregarding the tender results or withholding the transfer of the asset to I.K.VEL LLC. At the same time, ARMA described the 24% stake in VENTA.LTD LLC as remaining under the Agency's own management. In its subsequent responses concerning proceeds from asset management, ARMA reported that the corporate rights had been transferred into management on 17 and 22 July 2026.

Accordingly, both the legal status of I.K.VEL LLC as the asset manager under a valid management agreement and the actual transfer of the asset into management are confirmed by ARMA's information. However, more than 13 months elapsed between the conclusion of the agreement on 6 June 2025 and the transfer of the corporate rights in July 2026.

Separately, ILI continued to monitor the financial results of managing this asset. According to ARMA, UAH 859,677.42 was credited to the Agency's accounts from the management of the corporate rights in VENTA.LTD LLC in August 2026, followed by a further UAH 650,000.00 in September. Total proceeds for the two months amounted to UAH 1,509,677.42. Thus, following the transfer of the asset in July, proceeds were recorded in each of the following two months.

3. Key issues identified

3.1. Insufficient due diligence on the prospective manager during the tender

The ownership structure of I.K.VEL LLC was available during the tender procedure. Nevertheless, the company was selected as the winner and an agreement was concluded with it, while the issue of related-party links was raised as grounds for an attempted termination only several months later. This raises questions about the quality of due diligence on tender participants and the preliminary legal assessment of potential conflicts.

3.2. Inadequate legal reasoning for the decision to terminate the agreement

ARMA attempted to apply a provision concerning links between the manager and the owner of the seized asset, but in fact sought to establish the manager’s connection to another shareholder of VENTA.LTD LLC. The court rejected this interpretation and found that the Agency had to prove a connection specifically to KATREN JSC. As a result, even circumstances that could objectively cast doubt on the manager’s independence were insufficient to terminate the agreement on the legal grounds selected by ARMA.

3.3. Prolonged delay in the actual transfer of the asset into management

Winning the tender and having a valid management agreement do not, in themselves, confirm that the asset has actually been transferred into management. In this case, the transfer was initially delayed by the merger-clearance issue. ARMA then attempted to terminate the agreement, and that decision became the subject of a court dispute. According to ARMA, the corporate rights were ultimately transferred into management on 17 and 22 July 2026, more than 13 months after the management agreement was concluded.

In August and September 2026, proceeds from managing the asset totalling UAH 1,509,677.42 were credited to ARMA's accounts. Nevertheless, the prolonged delay between the conclusion of the agreement and the actual transfer of the asset raises questions about the timeliness of the asset management process and the potential financial implications of that delay.

3.4. Insufficient public information on the actual transfer of the asset

The court proceedings established that the management agreement with I.K.VEL LLC remained valid, while ARMA's subsequent responses confirmed that the corporate rights were transferred into management on 17 and 22 July 2026. However, the materials examined do not include the handover and acceptance certificates that would make it possible to establish how the transfer of the asset was formally documented.

Conclusion

The initial reason for this study was information from ARMA indicating that the corporate rights in VENTA.LTD LLC were managed by the KRAINA RESIDENCE Consortium, even though I.K.VEL LLC had been selected as the manager following an open tender. In response to our request, ARMA acknowledged that this information was a technical error and confirmed that the KRAINA RESIDENCE Consortium had not received the asset for management.

At the same time, an examination of court records established that the status of I.K.VEL LLC was indeed disputed in 2025-2026. ARMA attempted to terminate the agreement early because of the manager’s links to one of the shareholders of VENTA.LTD LLC, but the legal grounds it invoked required proof of a connection specifically to the owner of the seized corporate rights, KATREN JSC. Because the Agency failed to provide such evidence, the court declared the unilateral termination of the agreement invalid.

As a result, I.K.VEL LLC retained its legal status as the asset manager. The materials examined contain no information indicating that another asset manager was appointed or that a new tender was conducted. According to ARMA, the corporate rights were transferred into management on 17 and 22 July 2026, more than 13 months after the management agreement was concluded.

Subsequent monitoring also confirmed that the management of the asset had begun generating financial returns. According to ARMA's responses, UAH 859,677.42 was credited to the Agency's accounts in August 2026, followed by a further UAH 650,000.00 in September. Total proceeds for the two months amounted to UAH 1,509,677.42. Accordingly, funds began to be received following the actual transfer of the corporate rights into management, with payments recorded in two consecutive months.

Overall, the case highlights shortcomings in the vetting of the prospective asset manager during the tender procedure, inadequate legal justification for ARMA's subsequent decision to terminate the management agreement, and a prolonged delay in transferring the asset into management. The confirmed proceeds for August and September 2026 represent a positive development. Nevertheless, a comprehensive assessment of management effectiveness must also take into account the timeliness of the asset transfer, the circumstances behind the delay, and the subsequent allocation of the funds received.