



ANNUAL REPORT

2009

Message from the Chairman of the Chamber Board of Directors



Dear Chamber Members,

2009 was a challenging year for the Chamber and our Members as the impact of the global financial crisis took its toll on the business community active in Ukraine as well as yet another election cycle caused further turmoil in the already contentious political arena towards the end of the year. The Chamber and its Executive team reacted to these changes by quickly adapting to the new reality and provided access, information, and engagement on behalf of our Members to key decision makers, who have the responsibility to manage the turbulence as well as with the candidates for the presidency.

Throughout 2009, the Chamber focused on the strategic priority set by the Board of Directors in late 2008: increasing Ukraine's competitiveness through launching the **"Partnership for Successfully Competing in the Global Economy"**. That initiative is a clear and concise regulatory and legislative reform agenda created in conjunction with the business, expert, NGO and donor community designed to help Ukraine mitigate the negative impact of the financial crisis and position it appropriately for when global growth resumes. This work product was well received by the political elite and work started on accomplishing these important reforms in 2009 and we anticipate that momentum to continue in 2010 under the next President of Ukraine. The candidates have been presented with the "Partnership" and have reacted favorably to the concept and contents.

The Chamber also focused on strengthening our Policy Team and our Committees and further tapping into the Chamber's long-standing relationships with key decision makers in order to work on those issues that are of major concern to our Membership. In the same vein, the Chamber further developed numerous segmented Networking events, allowing our Membership to have access to the wealth of experience and opportunities that their fellow Members of the Chamber also bring to the table. The Chamber has focused in further developing a well-rounded offering of benefits and services by being proactive, innovative, and customer-service-oriented.

I would also like to use this opportunity to thank the 2009 Board of Directors, who I was privileged to work with to drive the strategic agenda of the Chamber. Their hard work and dedication ensured the continued success of the Chamber and, together with the administrative team, we are collectively proud of the results. At the close of 2009, the American Chamber of Commerce Board included: Executive Committee: Boris Krasnyansky, PricewaterhouseCoopers - Chairman; James Hitch, Baker & McKenzie - Vice Chairman; George Logush, Kraft Foods Ukraine - Vice Chairman; Nadir Shaikh, Citibank - Treasurer; and Douglas Hill, Coca-Cola Ukraine - Secretary; Rob Shantz, KPMG - Tax Advisor; Directors: Mr. Ian Borden, McDonald's Ukraine; Mr. Petro Chernyshov, Slavutich, Carlsberg Group; Mr. Patrick van Daele, Shell Ukraine Exploration and Production; Mr. Andre Kuusvek, European Bank for Reconstruction and Development; Mr. Jacques Mounier, Calyon Bank Ukraine; Mr. Alexander Rodionov, Procter & Gamble Ukraine LLC; Mr. Andrzej Rozycki, Cargill; Mr. Myron Wasyluk, The PBN Company.

In 2010 the Chamber will continue to focus on adding value to our Membership and striving to ensure Ukraine is more competitive and better positioned to take advantage of global growth when it resumes. We look forward to continuing to be a reliable partner to the internationally oriented investors whom the Chamber represents.

Sincerely,

Boris Krasnyansky
Chairman of the Board



Message from the President

Dear Chamber Members,

The end of 2008 ushered in a global financial crisis that was coupled with ongoing political turmoil, which left the Chamber's Membership unsure of what the future holds as we all rode the roller coaster that was 2009. This uncertainty has raised the importance of the role that the American Chamber of Commerce in Ukraine plays as a "Key to your Success" and a focal point for increasing the competitiveness of the country. As we look back on a challenging year for both the Chamber and Ukraine and forward to the upcoming presidential elections, whose impact is still unfolding as I pen this address, the crystal ball is cloudy but many in the business community, including myself, remain optimistic as to what the future holds for the great country that we live and work within.

Despite this uncertainty, we at the Chamber are focusing our efforts on ensuring that the organization remains relevant and value-added during these difficult times by being nimble and adjusting to the needs of our Membership as the business, investment, and political landscape changes. We are proud of what we accomplished in 2009, and those accomplishments are presented in the subsequent pages of our Annual Report. We will continue to focus on the future, doing what we can to help our Members to weather the storm, to identify new opportunities, to protect their interests through focused lobbying and advocacy efforts aimed to increase Ukraine's competitiveness, to provide quality segmented Networking opportunities, as well as, to serve as strong information platform helping all of our Members to succeed. The road ahead will be challenging, but, with the engagement of the Board of Directors, qualified staff of the Chamber and the vast Chamber Membership, we will focus on the future and look forward to reveling in the successes of the Chamber and each of our Members.

This 2009 Annual Report is designed to provide you with a brief snapshot of the major activities and accomplishments of your Chamber over the last year. We look forward to working with our Membership in 2010 and beyond, as we all strive to succeed in this challenging and rewarding environment.

Sincerely,

Jorge Zukoski
President



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American Chamber of Commerce in Ukraine

*As of November 2009

Uniting Leading Companies from Over 50 Nations across the Globe

CHAMBER ADMINISTRATIVE STAFF

Jorge Zukoski

President

Oksana Panchuk

Deputy Director

Nadiya Polishchuk

Administrative and Financial Manager

Anna Septa

Administrative / HR Coordinator

Olga Shupta

Administrative Assistant

Anna Storchak

Receptionist

Iлона Zadvorna

Senior Policy Officer

Olga Zhmurko

Committee Coordinator

Marta-Maria Denshchykova

Committee Coordinator

Olga Lyuta

Committee Coordinator / Policy Assistant

Olena Lukianenko

Policy Assistant

Elena Yakovenko

Communications Coordinator

Nataliya Novakova

Communications and Committee Coordinator

Zena Kleshchar

Web-content / E-Publications Coordinator

Anastasiya Minich

Communications Team Assistant

Iryna Vasylenko

Communications Team Assistant

Victoria Matsak

Events Manager / Gourmet Club Coordinator

Mariya Shulga

Events Coordinator

Sergiy Gorshkov

Events Assistant

Alyona Bilokha

Membership Development Coordinator

Roman Kravets

Data Integrity Coordinator

Vitaliy Byzov

System Administrator

Ekaterina Smol

Chief Accountant

Olena Potylko

Accounting Assistant

Volodymyr Poplavets

Administrator

The Chamber in Ukraine

The American Chamber of Commerce in Ukraine (Chamber) is among the most active and effective non-government, non-profit business organizations operating in Ukraine since 1992. One of the Chamber's principal activities is to represent the foreign investment community as well as to facilitate the entrance of potential new investors into this market. The Chamber advocates on behalf of the Membership not only to the Ukrainian government, but also to all other governments, which are economic partners of Ukraine, on matters of trade, commerce, and economic reform. The Member organizations of the Chamber represent capital from over 50 nations across the globe including Europe, North America, Asia, Russia and Ukraine and are the largest strategic and institutional investors operating in Ukraine who have committed a majority of the foreign direct investment into this market and directly employ close to a million Ukrainians providing them with exposure to international best practices and the opportunity to develop into leading managers. Our Member companies that bring international expertise and business knowledge to Ukraine are among the largest taxpayers in Ukraine and strive to be good corporate citizens.

The Chamber is an active and engaged Member of the Foreign Investment Advisory Council (FIAC) under the President of Ukraine, a Member of the Investors Council under the Prime Minister of Ukraine as well as participant within the variety of Working Groups under both organizations. Also, the Chamber continues to serve as a proactive Member of a wide variety of Public Councils within the Ukrainian Ministries and State Committees.

The value-added Chamber Membership benefits offered to both corporate Members and diplomatic mission partners include but are not limited to: effective and proactive Advocacy and Lobbying Activities; access and involvement within the Chamber Committees and Working Groups; value-added contacts and stratified business Networking; informative publications; a wide variety of socially oriented and family focused events and activities; streamlined Express Business Visa Services; a money saving Member 2 Member Discount Program; continuously expanding Gourmet Club, etc.

As an organization constantly striving to maintain its innovative edge and respond to the needs of the business community the Chamber represents, in 2009 the Chamber was working on further improvement of its communications tools, including the following new projects: "Partnership for Successfully Competing in the Global Economy" a special analytical working product launched at the end of April 2009; *Morning News* in conjunction with Interfax; *Chamber Success Stories* electronic publication; Ukrainian version of the highly trafficked Chamber web-site (www.chamber.ua) including a new search option making the site easier to navigate as well as new sections providing access to relevant and timely information; new format of the *Advocacy & Committee Updates*; a new weekly electronic publication entitled *Legislation Update*; *Knowledge Series Seminars* designed to provide a platform for professional growth; new *Committees and Working Groups* that provide the important policy framework into the Chamber's lobbying and advocacy activities.

The American Chamber of Commerce has been pleased to extend the number of Official Service Providers in 2009, ensuring better quality services provided to the Membership. All of the Member Companies involved in Official Service Providers Program are providing the Chamber with goods and services free of charge. The Chamber is thankful to its Partners that make Chamber operation in Ukraine successful.

RSM! APIk

interfax
ІНТЕРФАКС
УКРАЇНА

BUSINESS life
Customised mobile solutions

KLS

Coca-Cola

MTC
оператор зв'язу

**CORSTJENS
WORLDWIDE
MOVERS
GROUP**

Microsoft

DE NZA WORKSPACE

**UKRAINE INTERNATIONAL AIRLINES
UIA**

**Euro
Leasing**

ups

**Golden
Telecom**

WorldAPP
WORLD STANDARD WEB APPLICATIONS

Chamber Official Service Providers 2009

The American Chamber of Commerce has been pleased to extend the number of Official Service Providers in 2008, ensuring better quality services provided to the Membership. All of the Member Companies involved in Official Service Providers Program are providing the Chamber with goods and services free of charge. The Chamber is thankful to its Partners that make Chamber operation in Ukraine successful.

RSM APIK

Audit firm "RSM APIK"

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Audit firm RSM APIK has been known for many years at the market as a reliable partner for business and provider of high-quality and professional services. RSM APIK is an Official Service Provider of the American Chamber of Commerce through the provision of annual auditing services.

The list of RSM APIK services comprises the whole range of audit services, including the following: audit of financial statements (under national standards of Ukraine, IFRS, US GAAP, etc), special purpose audit (audit reports for the different state supervisory bodies of Ukraine), consultations, accounting services, etc.

RSM APIK is very glad to provide necessary assistance to your business and staff, to save your time and money, to raise your competitiveness and to free the resources you will be able to aim at the primary tasks of your business operation.



Customised mobile solutions

BUSINESS life – customized mobile solutions

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Brand for businesses – small and medium enterprises, and corporations – BUSINESS life provides customers with the most up-to-date mobile telecommunication services, data transfer and innovative offers to optimize business. Moreover, the subscribers get additional advantages through simple and lucrative BUSINESS PLUS loyalty program.

BUSINESS life is an Official Mobility Provider of the American Chamber of Commerce in Ukraine.

The longer a business customer uses BUSINESS life services, the more PLUSES it gets. Accumulated PLUSES can be exchanged for different benefits. Among them one can find additional minutes, SMS, MMS, megabytes as well as various discounts for handsets, restaurants, car rental, electronic devices and gadgets, household appliances and office equipment, air flights with AeroSvit company, information and consulting services.



Coca-Cola Beverages Ukraine Limited

51st km of St. Petersburg Shose

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Web-site: www.coca-cola-job.com.ua

Coca-Cola Beverages Ukraine (CCBU) manufactures and distributes soft drinks, juices, waters, energy drinks, ice teas and coffee under the trademarks that belong to the Coca-Cola Company. CCBU is a member of the Coca-Cola Hellenic Group, serving 550 million people across 28 countries. The Group is one of the largest bottlers of non-alcoholic beverages in the world.

CCBU established a representative office in Ukraine in 1992, immediately after the country had gained independence. Coca-Cola was one of the first international companies to invest in Ukraine. In the 17 years since then, Coca-Cola System investments in the country have reached US\$ 350 million.

In 17 years of operation in the Ukrainian market, the Coca-Cola system in Ukraine has received numerous awards in recognition of its achievements in business, product innovation, high-quality production and corporate citizenship. The plant was certified on compliance to international and Ukrainian standards requirements in Quality Management, Food Safety Management, Environmental Management, Occupational Health & Safety Management.

Chamber Official Service Providers 2009



Corstjens Ukraine

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Corstjens provides professional moving services to all destinations worldwide. Corstjens Worldwide Movers Group has its Headquarters in Amsterdam, the Netherlands along with 20 offices in Central & Eastern Europe. Corstjens is a part of the Gosselin Group, a well-known moving company with a total of 47 offices in 32 countries. Corstjens has also entered into excellent partnerships in other parts of the world.

The Kyiv office was established in 1992 and since then Corstjens has come a long way by consistently improving its quality and steady growth. As part of an international network of companies Corstjens also carries out worldwide relocations with precision and competence.



DenzaWorkspace

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Founded in 2001, DenzaWorkspace, a dynamic young Ukrainian company, today is quickly enlarging its presence in ergonomic office furniture market segment. The core line of its business is creation of professional corporate environment for its clients using the latest products and trends in office environment design.

DenzaWorkspace is an official dealer of Herman Miller Inc. for Ukraine. Herman Miller Inc. with European headquarters in London UK, is one of the biggest world companies in creation and production of ergonomic office products. Delivering added value to its client, DenzaWorkspace specializes in step-by-step coordination of taking new office premises by its clients starting from premises search assistance, speculative lay-outs for various office areas, zoning, space planning, interior design, power/computer outlets planning, partitions installation, and move management. DenzaWorkspace also provides consulting on work space optimization, proper individual's work modes, and maximum area utilization.



Euro Leasing

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Euro Leasing provides the fullest range of fleet management services and the innovative product Fleet-online in order to organize efficiently our clients' fleet activity. Euro Leasing fleet management services help both SMEs and big companies stay cost-effective by using progressive transport solutions. As the official leasing partner of the American Chamber of Commerce, the company aspires to set an example for customer service on the Ukrainian leasing market. Its employees adhere to principles of proficiency and transparency and take an individual approach to every customer.

Chamber Official Service Providers 2009



Golden Telecom

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Web-site: www.beeline.ua

Web-site: www.b2b.beeline.ua

LLC Golden Telecom — the largest alternative fixed-line operator — was incorporated into the VimpelCom International Group — the leading provider of telecommunications services in Russia and the Commonwealth of Independent States (CIS).

The VimpelCom Group consists of telecommunications operators providing voice and data services through a range of mobile, fixed and broadband technologies. The Group includes companies operating in Russia, Kazakhstan, Ukraine, Uzbekistan, Tajikistan, Georgia, Armenia, as well as Vietnam and Cambodia, in territories with a total population of about 340 million.

The VimpelCom Group operates in Ukraine through its acquired companies JSC Ukrainian Radiosystems, the operator of mobile communication services, and LLC Golden Telecom, specializing in fixed communication. Since merger in November 2008 they jointly operate in Ukraine under Beeline trade mark, providing all kinds of telecommunication services.



Interfax-Ukraine news agency

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The Interfax-Ukraine News Agency — a company belonging to the international group Interfax Information Services — has been a provider of information in the political and economic information market of Ukraine since 1992. Over this time, the agency has earned the reputation of being the most authoritative and competent supplier of timely and objective information, in the format of high-quality and popular news products. News reports from Ukraine are available to clients in almost every country of the world through the distribution channels of Interfax International. Currently the agency markets 45 information products on political and economic subjects in three languages (Ukrainian, Russian and English).



KLS

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The KLS company provides full range of services in the sphere of transportation of personal and office property in Kyiv, regions of Ukraine and throughout the world. The company possesses a widely developed regional network of representatives in Ukraine and reliable partner network practically in all countries of the world, thanks to which all projects are implemented on time, on budget and to the highest standards.

KLS's motto is: 100% responsibility, 100% quality and 100% professionalism. The high quality services provided by KLS have been experienced by representatives of many Ukrainian and international organizations, among which is the American Chamber of Commerce in Ukraine.

Chamber Official Service Providers 2009

Microsoft®

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Founded in 1975, Microsoft is the worldwide leader in software, services and solutions that help people and businesses realize their full potential. In 2003 Microsoft opened a regional office in Ukraine aimed at developing the software market, promoting Microsoft products, and providing partner and customer support, as well as introducing and localizing the newest technologies and implementing social initiatives in Ukraine and Belarus. Microsoft is the American Chamber of Commerce Official Business Productivity Provider, ensuring that the Chamber and its members can benefit from the latest Microsoft technologies and solutions.



оператор зв'язку

MTS (Ukrainian Mobile Communications CJSC)

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Web-site www.mts.com.ua

MTS has a significant range of services for business customers providing specific services based on fixed connection.

MTS has expanded beyond the borders of being a traditional mobile operator offering all the elements of a quadruple play to their customers: mobile and fixed connection, corporate data network and broadband Internet (both fixed and wireless). Thanks to combination of technologies MTS can propose the widest range of telecommunication services on the market at the most favorable prices. This gives MTS customers freedom of choice so that they can satisfy the needs of their businesses.



UPS

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Web-site: www.ups-ukraine.com

UPS is an Official Service Provider of the American Chamber of Commerce through provision of delivery services. Conscientious of its past and present, UPS is looking toward the future by identifying ways to reduce waste and recycle used materials. UPS leads the industry when it comes to recycling and source reduction. Some of the company's initiatives have been recognized by organizations such as The Alliance for Environmental Innovation. In its operations UPS is extremely concerned with environmental aspects of its activities using reusable sort bags, recycled computer paper, recycled paper for envelopes and delivery notices etc., keeping electronic records of all delivery information while reducing costs, preserving performance, and maintaining appearance. UPS has strong product responsibility before its clients and environment having developed a special Authorized Return Services (ARS) for customers who benefit through cost-effectiveness, quality assurance, and resource conservation.

Chamber Official Service Providers 2009



Ukraine International Airlines (UIA)

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Ukraine International Airlines (UIA) is Ukraine's leading international carrier, connecting Ukraine with nearly 3,000 locations in the world and operating over 340 scheduled flights a week. For the last three years UIA has been an Official Service Provider of the American Chamber of Commerce and always offers Chamber Members attractive fares along with traditionally high standards of customer service.

Unique new offers are available for members of the UIA loyalty program Panorama Club. They can now receive discounted tickets on UIA flights by redeeming Panorama Club Miles. Previously, you had to earn a fixed amount of miles to redeem them for award tickets. From now on you can redeem miles against an e-voucher whenever you wish, on UIA's website www.flyuia.com. If you already have earned 3,000 miles or more, you may receive a discount for up to 80 percent for your next flight with UIA.



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WorldAPP is the industry leader in web-based data collection technologies, and provides Web-based applications for collecting, managing, and leveraging data throughout the enterprise. WorldAPP is an Official Service Provider of the American Chamber of Commerce through the provision of an innovative on-line surveying platform, Key Survey, allowing the Chamber to quickly and rapidly react to changing needs of the Membership through the capture of reliable and timely information.

WorldAPP's online enterprise data management solution, Key Survey, enables customer service, marketing, and HR departments to gather feedback on customer satisfaction, product feedback, and employee feedback. Key Survey's core technology is an information collection utility designed to help companies gather data from any point, through any medium, and disseminate this information across the enterprise.

Chamber of Commerce Calendar of Events 2009

January

- January 14th** Travel and Tourism Committee Meeting
- January 15th** Chamber Customs Working Group Meeting "Inclusion of Royalties in Customs Value of Imported Goods"
- January 15th** Chamber Traditional "Welcome Back" Business Networking Cocktail at Arizona BBQ
- January 19th** Banking and Financial Services Committee Meeting
- January 20th** Chamber BMET Working Group Meeting "Developing Amendments to Educational System Regulations in Ukraine"
- January 21st** Chamber English Language Movie Premiere "Bedtime Stories"
- January 23rd** Chamber Overseas Security Advisory Council (OSAC) Cyber Crime Awareness Briefing 
- January 23rd** Healthcare Committee Meeting
- January 27th** Chamber "In-Focus" Meeting with Mr. Borys Tarasyuk, Head of the Parliamentarian Committee on European Integration: "European Integration Policy of Ukraine" 
- January 27th** Open Tax Committee Meeting with the Representatives of the State Tax Administration of Ukraine
- January 28th** Chamber Knowledge Seminar "Tips to Understanding and Implementing the New Joint Stock Companies Law"
- January 29th** Chamber Annual Members Appreciation Reception and Discount Card Presentation

Chamber of Commerce Calendar of Events 2009

February

- February 2nd** Chamber "In-Focus" Meeting with Mr. Serhiy Terokhin, Head of the Verkhovna Rada Tax and Customs Committee: "Ukrainian Parliament Strategy for Minimization of the Impact of the Global Financial Crisis" 
- February 4th** Intellectual Property Rights (IPR) Committee Meeting
- February 5th** Chamber Round Table "PR in Turbulent Times: Approaches, Instruments, Results to Succeed"
- February 6th** Chamber "In-Focus" Meeting with U.S. Ambassador William Taylor: "Energy Security of Ukraine" 
- February 10th** Fuel and Energy Committee Meeting
- February 12th** Chamber Knowledge Seminar "Tax and Customs Audits"
- February 12th** Chamber "In-Focus" Meeting with Mr. Oleksandr Melnychenko, the Acting Head of the Antimonopoly Committee of Ukraine 
- February 12th** Chamber "St. Valentine's Day" Business Networking Cocktail at Swing Bar-Restaurant
- February 16th** Banking and Financial Services Committee Meeting
- February 17th** Chamber "In-Focus" Meeting: "Legal Basis for Implementation of Public Private Partnership in Ukraine: Ideology of the New Law on PPP"
- February 18th** Chamber "In-Focus" Meeting – Dialogue with Ukrainian State Authorities on Intellectual Property Rights (IPR) Protection " 
- February 18th** Chamber English Language Movie Premiere "Seven Pounds"
- February 19th** Chamber Speaks Out: Chamber President Moderates the Panel "Strategic Leadership: Navigating Through Turbulent Times" at Adam Smith Crisis Management Forum
- February 19th** Chamber Customs Policy Working Group: "Inclusion of Royalties and Licensing Payments into the Customs Value of Imported Goods"
- February 20th** Chamber "Insiders View" Meeting "The Current Global Instability and the Repercussions for Ukraine: A View from February 2009" " 
- February 23rd** Telecom Committee Meeting
- February 23rd** Chamber Marketing Club "Successful Marketing Strategies during the Crisis"
- February 24th** Corporate Social Responsibility (CSR) Committee Meeting
- February 24th** Legal Committee Meeting
- February 24th** Chamber "In-Focus" Meeting with Mr. Hryhoriy Nemyrya, Vice Prime Minister of Ukraine: "European Integration Policy of Ukraine. Upcoming Tasks and Expected Deliverables" 
- February 25th** Chamber "In-Focus" Meeting with Mr. Anatoliy Makarenko, State Customs Service of Ukraine: "New Opportunities and Approaches" 
- February 25th** Tax Committee Meeting
- February 26th** Chamber Speaks Out: Chamber President Moderates an FDI Panel at the Third Europe – Ukraine Forum
- February 26th** Healthcare Committee Meeting
- February 26th** Chamber "Insiders View" Meeting on Current Global Financial Turbulence and the Repercussions for Business in Ukraine: Perspectives from the IFIs (IMF, EBRD, WB / IFC) 
- February 28th** Chamber Family Maslyana Celebration

Chamber of Commerce Calendar of Events 2009

March

- March 3rd** Toastmasters Club Meeting
- March 3rd** Chamber English Language Movie Premiere "The Pink Panther 2"
- March 5th** Intellectual Property Rights (IPR) Committee Meeting
- March 10th** Travel and Tourism Committee Meeting
- March 10th** Chamber Business Management Education and Training (BMET) Working Group Meeting
- March 11th** Customs Committee Meeting
- March 12th** Human Resources (HR) Committee Meeting
- March 16th** Chamber "In-Focus" Meeting with Mr. Mykola Azarov, Head of the Parliamentary Committee on Finance and Banking 
- March 17th** Chamber Knowledge Seminar "Tax and Customs Audits"
- March 17th** Chamber Business Luncheon with Ambassador Jose Manuel Pinto Teixeira, Head of the European Commission Delegation in Ukraine
- March 18th** Joint Legal Committee and Real Estate Committee Meeting
- March 19th** Chamber "St. Patrick's Day" Business Networking Cocktail at O'Brien's Irish Pub
- March 21st** 2009 Chamber Indoor Football Championship Cup (Day 1)

- March 22nd** 2009 Chamber Indoor Football Championship Cup (Day 2)
- March 23rd** Telecom Committee Meeting
- March 24th** Chamber "Insiders View" Meeting: Current Political Situation and Possible Scenarios for Further Developments within the Prism of the Global Financial Crisis
- March 24th** Information Technologies (IT) Committee Meeting
- March 24th** Chamber English Language Movie Premiere "Monsters vs. Aliens"
- March 25th** Chamber Knowledge Seminar "Specifics of Business and Tax Accounting in Representative Offices"
- March 25th** Toastmasters Club Meeting
- March 27th** Chamber Captains of Industry (COI) Event "Moving Forward"
- March 29th** 2009 Chamber Indoor Football Championship Cup (Finals)
- March 30th** Banking & Financial Services Committee Meeting
- March 30th** 2009 Annual Chamber Indoor Football Championship Cup — Afterparty
- March 31st** Tax Committee Meeting

April

- April 1st** Chamber Speaks Out: The Adam Smith's Agribusiness Congress
- April 2nd** Legal Committee Meeting
- April 2nd** Chamber Silver Card Event "Spanish Dance Night"
- April 7th** Banking and Financial Services Committee Meeting
- April 8th** Chamber Agricultural "Market Leaders" Breakfast
- April 11th** Chamber Family Event "Easter Egg Hunt"
- April 14th** Chamber Speaks Out: The Innovation Forum Conducted by Microsoft Ukraine and Expert Ukraine
- April 15th** Customs Committee Meeting
- April 16th** Real Estate Committee Meeting
- April 16th** Chamber "Stress Awareness Day" Business Networking Cocktail
- April 17th** Chamber Speaks Out: The Second Annual International Conference Ukrainian Investor Meetings 2009
- April 17th** Chamber "Insiders View" Meeting with the International Monetary Fund Mission Head in Ukraine, Ms. Ceyla Pazarbasoglu 
- April 22nd** Fuel and Energy Committee Meeting
- April 22nd** Chamber English Language Movie Premiere "I Love You, Man"
- April 23rd** Chamber Round Table "Increasing the Competitiveness of Ukraine: Partnership between Government and Business" 
- April 23rd** Joint Intellectual Property Rights (IPR), Healthcare and Information Technologies (IT) Committee Meeting
- April 24th** Chamber Welcomes New Members — Business Breakfast with Members of the Board of Directors, Committee Leadership & Policy Team
- April 27th** Banking and Financial Services Committee Meeting
- April 28th** Corporate Social Responsibility (CSR) Committee Meeting
- April 28th** PR Committee Meeting
- April 28th** Chamber and ABA Rule of Law Initiative Joint "In-Focus" Meeting with Ms. Oleksandra Kuzhel 
- April 28th** Chamber English Language Movie Premiere "Race to Witch Mountain"

Chamber of Commerce Calendar of Events 2009

May

- May 6th** Toastmasters Club Meeting
- May 14th** Fuel and Energy Committee Meeting
- May 14th** Chamber "Insiders View" Meeting on EURO 2012: Plans and Priorities for Ukrainian Host Cities Chosen in Bucharest 
- May 14th** Tax Committee Meeting
- May 15th** Open Human Resources (HR) Committee Meeting "Exit & Entry of Foreigners"
- May 15th** Chamber "In-Focus" Meeting with Mr. Viktor Suslov, Head of the State Commission for Regulation of Financial Services Markets of Ukraine 
- May 16th** Chamber Family Event — Walking Excursion "Secret Kyiv"
- May 18th** Chamber "In-Focus" Meeting — New Waste Packaging Law: Advantages and Perspective of Adoption in the Parliament
- May 18th** Chamber English Language Movie Premiere "Angels & Demons"
- May 19th** Open PR Committee Meeting with Mr. Colin Byrne, Weber Shandwick CEO, UK & Europe: "Building an Army of Advocates and What to Do with Badvocates" 
- May 19th** PR Committee Meeting
- May 19th** Chamber English Language Movie Premiere "Angels & Demons"

- May 20th** Chamber General Membership Meeting with U.S. Ambassador Taylor 
- May 20th** Watching with the Chamber UEFA Final: FC Shaktar Donetsk vs. FC Werder Bremen
- May 21st** Chamber "TGIS" Business Networking Cocktail at Truffle Restaurant
- May 25th** Banking and Financial Services Committee Meeting
- May 26th** Corporate Social Responsibility (CSR) Committee Meeting
- May 26th** Real Estate Committee Meeting
- May 27th** Chamber Knowledge Seminar "International Standards as Element of the Systematic Management of the Company"
- May 27th** Customs Committee Meeting
- May 27th** Watching with the Chamber UEFA Champions League Final: FC Barcelona vs. FC Manchester United
- May 28th** Legal Committee Meeting
- May 29th** Healthcare Committee Meeting

June

- June 1st** Intellectual Property Rights (IPR) Committee Meeting
- June 2nd** Chamber Speaks Out: Chamber Participates in the U.S. Trade and Investment Mission to the Autonomous Republic of Crimea
- June 3rd** Human Resources (HR) Committee Meeting
- June 3rd** Toastmasters Club Meeting
- June 5th** Travel with the Chamber "Weekend Getaway to Scandinavia"
- June 10th** Chamber English Language Movie Premiere "Terminator Salvation"
- June 11th** Chamber "On the Rooftop" Business Networking Cocktail at Premier Palace Hotel
- June 12th** Chamber Knowledge Seminar "Mediation as an Alternative Mechanism for Resolving Internal Company Disputes"
- June 14th** Chamber 5th Annual Corporate Tennis Cup
- June 17th** Chamber Speaks Out: Chamber President Speaks at the USAID "Competitiveness in the Next Decade" Conference
- June 18th** Chamber Banking Market Leaders Business Breakfast
- June 18th** Chamber Captains of Industry (COI) Event "First Class Ticket for Networking"
- June 20th** Chamber "Treasures of Pavlo Polubotok" Foot Quest
- June 22nd** Banking and Financial Services Committee Meeting
- June 24th** Chamber Knowledge Seminar "Mediation as a Toolkit for Effective Dispute Resolution"
- June 24th** Chamber English Language Movie Premiere "UP"
- June 25th** Travel and Tourism Committee Meeting
- June 25th** Chamber "In-Focus" Meeting with Mr. Petro Martynenko and Mr. Ivan Tymchenko, Former Judges of Constitutional Court of Ukraine
- June 25th** Tax Committee Meeting
- June 30th** Telecom Committee Meeting

Chamber of Commerce Calendar of Events 2009

July

- July 4th** Chamber Annual Charitable American Independence Day Picnic 2009 
- July 6th** Chamber 2009 Picnic Sponsors' Appreciation Reception at Arizona BBQ
- July 7th** Chamber Knowledge Seminar "Practical Seminar on Licenses Target Optimization Control"
- July 7th** Real Estate Committee Meeting
- July 8th** Customs Committee Meeting
- July 8th** Human Resources (HR) Committee Meeting
- July 9th** Chamber 2009 Picnic Volunteers Appreciation Party
- July 9th** Corporate Social Responsibility (CSR) Committee Meeting
- July 16th** Intellectual Property Rights (IPR) Committee Meeting
- July 18th** V Chamber Paintball Tournament
- July 22nd** Key Note Address by U.S. Vice President Joseph Biden 
- July 23rd** Chamber "Vanilla Ice Cream Day" Business Networking Cocktail at PANORAMA Restaurant
- July 24th** Chamber English Language Movie Premiere "Harry Potter and the Half-Blood Prince"
- July 28th** Chamber Waste Packaging Management Working Group Meeting

August

- August 5th** Chamber English Language Movie Premiere "The Proposal"
- August 11th** Chamber Waste Packaging Management Working Group Meeting
- August 19th** Chamber English Language Movie Premiere "District 9"
- August 20th** Chamber Special Networking Event "Caribbean Boat Cruise"
- August 25th** Banking and Financial Services Committee Meeting

Chamber of Commerce Calendar of Events 2009

September

- September 1st** Chamber Press-Conference "New Requirements for Importers. Consequences of the Recent Government's Decisions"  chamber tv
- September 1st** Chamber Open Waste Packaging Management Working Group Meeting
- September 3rd** Customs Committee Meeting
- September 7th** Telecom Committee Meeting
- September 8th** Chamber English Language Movie Premiere "The Taking of Pelham 123"
- September 9th** Human Resources (HR) Committee Meeting
- September 10th** Information Technologies (IT) Committee Meeting
- September 10th** Chamber "Welcome Back" Business Networking Cocktail at Arizona BBQ
- September 11th** PR Committee Meeting
- September 15th** Live the InterContinental Life with the Chamber
- September 15th** Legal Committee Meeting
- September 16th** Tax Committee Meeting
- September 19th** VIII Annual Chamber Football Tournament (Day 1)
- September 20th** VIII Annual Chamber Football Tournament (Day 2)
- September 21st** Banking and Financial Services Committee Meeting
- September 21st** Intellectual Property Rights (IPR) Committee Meeting with Mr. Sergiy Stephanovskiy, Vice-Chairman of the Antimonopoly Committee of Ukraine (AMCU), the State Commissioner of the AMCU
- September 22nd** Chamber "In-Focus" Meeting with Mrs. Oleksandra Kuzhel, Head of the State Committee for Regulatory Policy and Entrepreneurship  chamber tv
- September 22nd** Chamber English Language Movie Premiere "The Ugly Truth"
- September 24th** Real Estate Committee Meeting
- September 25th** Chamber Speaks Out: Yalta European Strategy "Discussing Ukraine's Future with Global Opinion Makers"
- September 26th** VIII Annual Chamber Football Tournament (Finals)
- September 28th** VIII Annual Chamber Football Tournament Afterparty
- September 28th** Healthcare Committee Meeting
- September 29th** Travel and Tourism Committee Meeting
- September 29th** Chamber "Insiders View" Meeting with Mr. Anders Aslund: "Financial Crisis and Post-Election Strategy"  chamber tv
- September 29th** Champions League with the Chamber & Ford: FC Barcelona vs. FC Dynamo Kyiv
- September 30th** Open Human Resources (HR) Committee Meeting

Chamber of Commerce Calendar of Events 2009

October

- October 1st** Chamber Speaks Out: The IX Lviv International Economic Forum
- October 5th** Telecom Committee Meeting
- October 6th** Chamber "Insiders View" Meeting with Mr. Viktor Pynzenyk, Head of the Ukrainian Reforms Support Foundation 
- October 8th** Corporate Social Responsibility (CSR) Committee Meeting
- October 8th** Chamber "Wallpaper Day" Business Networking Cocktail at O'Brien's Irish Pub
- October 9th** PR Committee Meeting within the IV European PR Congress 2009
- October 12th** Tax Committee Meeting
- October 13th** Chamber "In-Focus" Working Meeting with Mr. Petro Verbytskyi, Head of the State Committee for Veterinary Medicine of Ukraine 
- October 14th** Chamber Human Resources (HR) Committee Knowledge Seminar "Successful HR Assessment Implementing Practices"
- October 19th** Information Technologies (IT) Committee Meeting
- October 20th** Chamber Speaks Out: The IX Foreign Investment Advisory Council Meeting

- October 20th** Champions League with the Chamber & Ford: FC Internazionale vs. FC Dynamo Kyiv
- October 21st** Chamber Human Resources (HR) Committee Educational Project "HR University"
- October 21st** Banking and Financial Services Committee Meeting
- October 21st** Chamber "Insiders View" Meeting: "The Global Financial Crisis and the Repercussions for Business in Ukraine — One Year after It All Began. A View from October 2009" 
- October 22nd** Customs Committee Meeting
- October 24th** Chamber English Language Movie Premiere "Cloudy with a Chance of Meatballs"
- October 26th** Legal Committee Meeting
- October 26th** Banking and Financial Services Committee Meeting
- October 28th** Real Estate Committee Meeting
- October 29th** Chamber Young Professionals Network (YP-Net) "Very Scary Halloween Celebration"

November

- November 4th** Champions League with the Chamber & Radisson SAS: FC Dynamo vs. Kyiv FC Internazionale
- November 9th** Telecom Committee Meeting
- November 9th** Inaugural Meeting of the Chamber Travel Club
- November 11th** EBRD's 2009 Transition Report Presentation
- November 19th** Chamber Silver Card Event "Beaujolais Nouveau Wine Tasting"
- November 23rd** Chamber "Insiders View" Meeting: "Future of Ukraine. Perspectives of the 2010 Presidential Campaign" 
- November 26th** Chamber "in-Focus" Working Meeting with Mr. Victor Yanukovich, Head of the Shadow Cabinet of Ministers and Head of the "Party of Regions" 
- November 28th** Chamber "YP-Net" CSR Event "Who Let the Dogs Out?"
- November 30th** Banking and Financial Services Committee Meeting

December

- December 3rd** Chamber "Get to Know the Candidates" Business Networking Cocktail at O'Brien's Irish Pub
- December 4th** First Chamber Summit of Innovative HR Solutions
- December 8th** Annual Meeting and Board of Directors Elections

Chamber Success Stories in 2009

Chamber Success Stories in 2009

Throughout 2009, despite the ongoing political turmoil, Policy Team of the American Chamber of Commerce in Ukraine (Chamber) in conjunction with the Board of Directors and interested Members were successful in advocating for many positive changes that impact both the domestic and international business community for the benefit of the Chamber Membership and ultimately Ukraine making the country more competitive on the global arena. Chamber "Success Stories" in this regard include but are not limited to the following:

Ten Tax Initiatives to Make Ukraine a More Competitive Tax Jurisdiction Presented to the Ministry of Finance and State Tax Administration

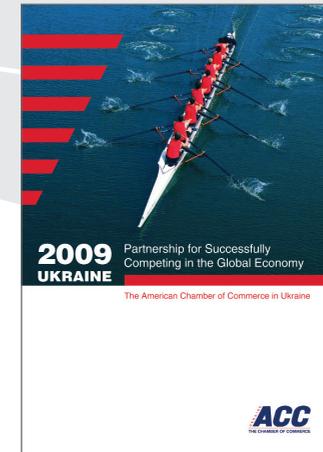
On October 27th, 2009 the Chamber as a Member of the Investors' Council under the Cabinet of Ministers of Ukraine was invited to present the "Ten Tax Initiatives to Make Ukraine a More Competitive Tax Jurisdiction" that are included in the Chamber's analytical working product "Partnership for Successfully Competing in the Global Economy." Those initiatives identify Ukraine's principal tax challenges and provide practical recommendations for enhanced tax competitiveness, efficiency and fairness.

During the presentation participants discussed the following topics: tax fairness and enhanced tax administration and enforcement, enhanced VAT laws and tax administration, consistency of accounting and tax records and deductibility of business-related expenses, extended tax

periods and deadline for tax fillings, taxation of intra-group financing, taxation of intra-corporate dividends, tax neutrality of corporate reorganizations, elimination of insignificant taxes and consolidation of certain taxes, introduction of transfer pricing rules consistent with OECD guidelines.

The Ministry of Finance highly appreciated the proposed list of recommendations. Participants of the meeting were interested to discuss most of the proposals and recommendations and to continue the dialogue started at the meeting as the Ukrainian taxation system needs to be modernized to make Ukraine a competitive, attractive and viable investment destination and to respond challenges brought by the current global economic turmoil.

Cabinet of Ministers Took into Consideration the Chamber's Competitiveness Partnership's Proposals



The World Economic Forum (WEF) has released its Global Competitiveness Report 2009–2010, and Ukraine has found itself significantly worse in its ranked position, moving

from 72nd to 82nd place out of 133 countries. The American Chamber of Commerce in Ukraine (the Chamber) addressed the country's political leadership including the president, prime minister, and speaker of Parliament, with a request that they unite their efforts to improve Ukraine's competitiveness.

The Chamber confirmed that it is ready to participate in dialogue and cooperation in different Ukrainian economic sectors and areas to ensure that the 2010–2011 WEF rankings are better. The Chamber proposed that cooperation should be based on the its "Partnership for Successfully Competing in the Global Economy" analytical report, which contains regulatory and legislative reform agendas for key Ukrainian economic sectors.

Based on the Chamber's request, the Cabinet of Ministers issued an Order to the Ministry of Economy and the central executive bodies (the State Tax Administration, the State Customs Service, and so on) requesting that they work on the issues that the Chamber's letter outlines. The Cabinet also sent the Order to the National Bank.

Chamber Success Stories in 2009

Customs Treatment of Royalties and Licensing Payments

During the year 2009, American Chamber of Commerce in Ukraine (Chamber) has been proactively working with the Customs authorities regarding elaboration of methodology of royalty and licensing payments treatment during definition of the customs value of goods. Finally, the State Customs Service of Ukraine adopted the Order #900 "On Approval of the Amendments to the Methodological recommendations on application of the certain provisions of the Customs Code of Ukraine regarding the customs value of goods imported into the customs territory of Ukraine."

We are pleased that the Customs authorities have accepted some of arguments presented by the Chamber and as a result:

1. Flexible guidelines have been established regarding inclusion to the customs value of royalties based on estimated royalty data.
2. It has been recognized that where importer includes to the customs value of goods royalty amounts based on estimated data, underpayment of import taxes (if any) is not regarded as violation subject to automatic fines.

Accordingly, under final text of Order #900 importers that are not able to determine precisely amount of royalty to be included to the customs values should not be regarded as lawbreakers with relevant adverse implications.



Chamber Customs Committee Meeting discussing inclusion of royalties in customs value of imported goods

Customs Clearance for Transparent Legitimately Operating Companies Simplified

After a successful advocacy campaign by the Policy Team of the American Chamber of Commerce in Ukraine (Chamber), interested Members and our partners the State Customs Service of Ukraine (SCSU) introduced a streamlined new customs procedure called the White Lists procedure. "White Lists" refers to simplified procedures during customs clearance and control for honest companies that meet the required criteria, operate transparently, and have excellent reputations. The Chamber, as an organization that represents legitimately operating companies in Ukraine, supports and has been actively lobbying for the development and implementation of White Lists.

The Chamber has been intensely involved into development of the Orders by:

- Developing and providing comments to the Draft Orders;
- Actively participating in the Meetings of the Public Council of the State Customs Service, discussing particular norms of the Draft Orders;
- Providing expert recommendation and feedback from companies regarding possible practical issues of "White Lists" implementation.

Obligatory Export Declarations Cancelled

With their Resolution #1071, the Cabinet of Ministers of Ukraine (CMU) cancelled paragraphs 1 and 2 of CMU Resolution #767 dated July 24, 2009 "On Changes to Some Resolutions of the CMU Regarding Submitting the Customs Declaration from the Country of Export." Therefore, export declarations are no longer an obligatory document.

According to Resolution #767, the Customs Service was required to request export declarations so that it could check the value of goods. In many cases the requirement

that Resolution #767 put forward was impossible to execute, as the legislation of many countries does not envisage, and sometimes even forbids, submitting export declarations to third parties. According to CMU Resolution #1071, the export declaration in question is submitted to Customs during clearance procedures only if the importer can obtain it from the country of export.

Acting in response to serious concerns among the Chamber Membership, the American Chamber of Commerce in Ukrai-

ne addressed the government about this issue, asking it to cancel the decision and make export declarations non-obligatory. Doing so would help define the customs value of goods. The Chamber also raised this issue during a series of meetings with senior Ukrainian officials, including Mr. Bohdan Danylyshyn, Minister of Economy, and representatives of the National Securities and Defense Council. The Chamber also raised the issue during a recent roundtable held by the State Customs Service of Ukraine.

Chamber Success Stories in 2009

President Stopped Monopolization of the Waste Packaging Utilization Market



Chamber Press-Conference with Mr. Olexandr Puchok, General Manager, Obolon CJSC; Mr. Jorge Zukoski, Chamber President; Mr. Volodymyr Slabiy, Head of the Board, Ukrainian Packaging-Ecological Coalition

Intensive lobbying efforts on the part of the American Chamber of Commerce in Ukraine, its Policy Team, interested Members, and our partners at the Ukrainian Packaging-Ecological Coalition generated positive results leading to President Viktor Yushchenko's decision to cancel certain provisions of the Resolutions of the Cabinet of Ministers of Ukraine #915 dated July 26th, 2001 "On Implementation of the System of Collecting, Sorting, Transportation, Recycling, and Utilization of Wastes as Secondary Raw Materials" and #508 dated May 20th, 2009 (the latter made changes to former). The result was to resolve the problems that resulted from forcing companies to contract services from the state-owned monopoly Ukrecocomresursy.

Chamber experts in conjunction with partner organizations work on the development of the Law "On Waste and Waste Packaging," which corresponds with international standards and best practices because it addresses everything that requires regulation. It remains important to proactively address all appropriate governmental institutions and authorities so that they do not exhumate the idea of granting Ukrecocomresursy monopoly status, but rather dedicate themselves to developing a transparent, competitive, and effective waste packaging system in Ukraine.

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Law "On Regulation of Realization of Separate Socially-Significant Food Products" – Veto

The Chamber Policy Team together with fellow Members and many partner organizations, representing retailers and wholesalers, was proactively involved in lobbying against the adoption of the Law #2292 "On Regulation of Realization of Certain Food Stuff of Social Importance." On February 4, the Parliament declined the document and supported the President's veto and recommendations by 296 votes.

Continuing to monitor the situation and being aware that this Draft was among those planned by various parliamentarians to consider during the current Verkhovna Rada's session and previously addressing the leadership of the VR Committee on Industrial and Regulatory Policy as well as leaders of the fractions asking not to consider and support the Draft, the Chamber is very happy that its voice and the voice of the Chamber's partners was heard. The Chamber clearly stated that the proposed Law would not in fact assist in fighting inflation and would have a potentially negative impact on this important area of the economy.

The Chamber continues to stress to Policy Makers that similar legislative initiatives in the future should be developed in conjunction with the business community to ensure that the goals of the Government are achieved, taking into account the impact that it will have on the business community and ultimately Ukrainian consumers.

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VAT Policy – The President Stops Resolutions #757-p and #838-p

The American Chamber of Commerce in Ukraine (Chamber) is pleased that President Yushchenko supported the position of the Chamber business community and the intensive lobbying efforts of the Chamber Policy Team and terminated item 2 of the Cabinet of Ministers of Ukraine (CMU) Resolution #757-p "On Certain Issues of Taxes, Duties (Obligatory Payments) Administration" and Resolution #838-p "On Settlement of Certain Issues Regarding Administration of Value Added Tax." The President has sent an inquiry about the issue to the Constitutional Court.

Both Resolutions failed to correspond with the Law "On Grounds of State Regulatory Policy in the Sphere of Economic Activity" and the Law "On Value Added Tax." They also violated the Constitution of Ukraine, which the Chamber Tax Committee made clear in its letter requesting the revocation of the Resolutions. The Prime Minister, the State Tax Administration, and other relevant authorities received that letter.

President Yushchenko Vetoed Draft Law Prohibiting Foreclosures

President Yushchenko vetoed Draft Law #3459-1 "On Protection of Citizens' Rights While the Ukrainian Economy is Overcoming the Financial Crisis," which envisaged a moratorium on the repossession of collateralized property in case the object of the pledge or mortgage is housing property in which people live permanently.

The Chamber Banking and Financial Services Committee consistently advocated against this Draft Law. Right after the Draft Law's registration in the Verkhovna Rada, the Chamber provided the Parliament Committee on Finance and Banking with in depth analyses of the document, underlining its negative consequences for the sector and pointing out that its adoption is unacceptable. Unfortunately, the Verkhovna Rada adopted the Draft Law, disregarding the position of the business community.

Chamber Success Stories in 2009

Corporate Profit Tax Administration no Longer under Threat

On September 8th, 2009 President Yushchenko canceled the Resolution of the Cabinet of Ministers of Ukraine #895 on "Regulation of Some Issues of the Corporate Profit Tax Administration (CPT)" by the Order of the President of Ukraine # 717/2009 "On the Termination of the Resolution #895 of the Cabinet of Ministers of Ukraine by the August 26th".

According to the Decree the amendment of the regulation of the CPT administration in currency calculations in the Law "On the Profit Taxation of the Enterprises" by the Resolutions #895 violated the Constitution of Ukraine.

The Position of the President Yushchenko was shared and supported by the Tax Committee Members of the American Chamber of Commerce in Ukraine. Co-Chair of the Chamber Tax Committee Mr. Pavlo Myronov stated in the position paper: "The adoption of the Resolution #895 by CMU was made with the misuse of powers in the regulation of tax issues and contradicted with the current Tax Legislative framework".

Further Simplifying of Business Activity in Ukraine

The Chamber is pleased that serious progress has been achieved on many important areas related to the further simplification of the permit system, licensing procedures, finalization of the one-stop window to start business activities, deregulation of business operations in Ukraine and others. On May 21st, 2009 the Chamber Policy Team as a Member of the Investors Council of the Cabinet of Ministers and the Public Council of the State Committee on Regularity Policy & Entrepreneurship continuing its proactive advocacy activity with

The Public-Private Partnership Mechanism and Alienation of Private Land Plots for Public Use Adopted



Chamber "In-Focus" Meeting on PPP with Mr. Mykola Slusarevskiy, Legal Consultant and Mrs. Valentyna Danishevskya, Director of the Commercial Law Center

On June 25th, 2009 the Verkhovna Rada of Ukraine adopted two pieces of critical legislation supported by the American Chamber of Commerce (Chamber): Draft Law #3447-d and the Draft Law "On Alienation of Private Land Plots for Public Use" (Draft Law #3682), which the Chamber was involved in developing for passage and for which it advocated.

the Cabinet of Ministers participated at the Cabinet of Ministers special open meeting held at the premises of the Ukrainian House, which was dedicated to the improvement of investment climate and simplification of business activity necessary in the current crisis environment.

Prime Minister Tymoshenko together with the Members of the Cabinet of Ministers and hundreds of the private sector representatives from all regions of Ukraine discussed draft

The important issues related to infrastructure development policy are aligned with the Chamber's "Partnership for Successfully Competing in the Global Economy" project, which presents a comprehensive regulatory and legislative reform agenda that will help Ukraine mitigate the effects of the current crisis and ensure that the country is well-positioned when global growth resumes because it has addressed the issues that have negatively impacted the country's overall ratings.

The Chamber Policy Team, in conjunction with many fellow Members, consistently monitored and worked on the above-mentioned legislation. This legislation required adoption and amendment to provide a solid foundation for the further development of Ukraine's infrastructure as well as so that the country could move forward with numerous important projects, including those related to the successful implementation of the EURO 2012 football championship. One of the most important pieces of legislation (along with Concession mechanisms) involved the Public-Private Partnership mechanism (PPP), which provides the necessary legal basis for implementing large investment projects, such as airports, roads, bridges, mines, communal service upgrades and the like. Another was the Draft Law "On Alienation of Private Land Plots for Public Use", which experts recognize as an integral part of the legislative package.

legislation including Draft Laws, Cabinet of Ministers Resolution and Orders (total of 27 pieces) aiming to address issues related to permits, licenses, control visits, and regulatory policy. Among important news announced by the Prime Minister were the following: Moratorium to hold inspection of enterprises until December 31st, 2010; the adjusted procedure of ecologic control applied to importation of goods to the territory of Ukraine; certain changes aimed to regulate issues of illegal raider attacks.

Chamber Success Stories in 2009

Events Related Success Stories

Over the last 17 years the Chamber of Commerce has been working diligently to add value to the Membership by providing a wider variety of professionally executed events that serve as a platform for Business and Social Networking. The Chamber is constantly striving for improving the quality as well as increasing the quantity of the organized events.



Business Networking Cocktails remain one of the most popular events in the Chamber's Networking offerings and in 2009 they have grown dramatically in the number of attendees. It is always a good opportunity to Network with the right people in a relaxed atmosphere. These events are usually hosted by one of the Chamber Gourmet Club Restaurants who work hard to ensure that Chamber Members have a nice evening.



In 2009 the Chamber successfully organized several high-level Networking events for the top managers of Member companies entitled **Captains of Industry ("COI") Events**. It is an excellent opportunity to Network with other business leaders, diplomats and special guests in an interesting venue with a no hassle atmosphere while enjoying delicious food and beverages. In 2009 the COI Events were extremely popular among the Members and much of the success in organizing these events is thanks to the 2009 COI Events Primary Partner MTS.



Chamber various **Social / Family and Sport events** are great team building opportunities for the Member companies, gathering players and their colleagues, friends and family members during friendly competitions enabling them to show off their talents while building teamwork and fostering a healthy lifestyle. The Chamber would like to thank Zelmer Ukraine the 2009 Chamber's Healthy Life Styles Partner for their support of all Chamber Sporting Events.

On July 4th the Chamber of Commerce organized successful **Annual Charitable American Independence Day Picnic**, which was another remarkable success. The event is held to strengthen the values of democracy and freedom, as well as friendship and cooperation among nations. The 2009 Picnic brought together thousands of people who enjoyed a real American Picnic right here in Ukraine. Guests experienced great live entertainment and a spectacular fireworks show as well as having an opportunity to participate in all kinds of games and contests, while enjoying a beautiful sunny day with friends and family.

The Events Team of the Chamber will continue to develop new and exciting Events in 2010 enabling the Membership to effectively Network while building the business contacts and exchanging valuable insight and information with their colleagues.

Chamber Success Stories in 2009

Communications Related Success Stories

The Chamber is pleased to continue developing a strong communications platform and a reputable positioning in Ukraine and abroad. Among key components of the Chamber communications activity is working with leading international and domestic media as well as with informational agencies. LexisNexis provides Chamber Members with the latest and most relevant international news, whereas Chamber Member Interfax Ukraine run-string on Chamber's website as well as the special "Morning News" publication sent to all Members keeps the Membership updated on recent news in Ukraine. The Chamber thanks its partners for providing the Membership with these comprehensive informational products.

The Chamber of Commerce in Ukraine

Uniting leading companies from more than 50 nations across the globe

interfax
ІНТЕРФАКС УКРАЇНА

MORNING NEWS

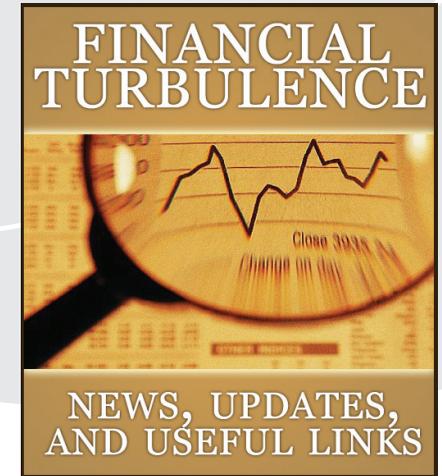
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THE CHAMBER OF COMMERCE

This year the Chamber continued and developed cooperation in media promoting development of competitiveness of Ukraine through implementation of a concise reform agenda. The Chamber also provided public with the expert opinion on many important for business development issues, such as investment climate, macroeconomic situation, Ukraine-U.S. trade and investment relations, taxation policy, custom policy, telecommunications and data transmission, waste packaging management issues. The majority of these topics were published in the leading Ukrainian business media, in particular: Business Ukraine, Interfax, Delo, Delovaya Stolitsa, Ekonomichna Pravda, First Business Channel, Focus, InvestGazeta, Kommersant, Kontrakty, Kommentarii, LigaBusinessInform, "Po-Kievsky" Newspaper, RBC Ukraine, Ukrainian Business Resource, Ukrainian Journal of Business and Law, Ukrinform, UNIAN, 24 Channel, and others.

International Conferences and events remain one of the key pillars of Chamber Communications activities. It is always a pleasure for the Chamber to work with the leaders on the market and provide its Membership with access to interesting value added events with special Chamber discounts. This helps the Chamber maintain a strong communications platform and further develop reputable positioning in Ukraine and abroad. The most important events, which the Chamber participated in 2009 include but are not limited to: Yalta European Strategy (-YES) "Discussing Ukraine's Future with Global Opinion Makers"; The IX Lviv International Economic Forum; USAID "Competitiveness in the Next Decade" Conference; Summary of the Second Annual International Conference Ukrainian Investor Meetings 2009; Innovation Forum conducted by Microsoft Ukraine and Expert Ukraine; Adam Smith's Agribusiness Congress; FDI Panel at the Third Europe – Ukraine Forum; Adam Smith Crisis Management Forum; Round Table with Ministry of Economy of Ukraine, Ministry of Finance and National Bank of Ukraine.

The Chamber developed and will maintain successful relations with leading domestic and international media highlighting important for the Membership policy issues.

Specific of the communication in 2009 was determined by turbulent financial and economic period we lived through. Thanks to innovative and proactive approach the Chamber became unique source of information on the financial crisis and all relative developments for the Membership. In January 2009 the Chamber created the special corner on the website where all the legislative developments, steps of government to tackle the crisis as well as statistics and analytical information were placed. Furthermore, the Chamber created a special electronic publication "Turbulent Times" to deliver all necessary information directly at the Chamber Members' mailboxes.



The IX Lviv International Economic Forum: Mr. Mykola Kmit, Head of the Lviv Oblast State Administration; the President of Ukraine Viktor Yushchenko; Jorge Zukoski, President of the American Chamber of Commerce in Ukraine

Chamber Innovations in 2009

The Chamber continues to strive to be a "Key to Your Success". The Chamber focuses upon innovation in our activities when developing new value added services that are provided as Membership benefits proactively addressing the needs of both the companies and individuals that the organization represents. These innovative activities are first introduced by the Chamber and often used as best practices by other organizations both in Ukraine and throughout Europe.

Policy Innovations

The Chamber Policy Team in conjunction with many dedicated Members, despite the continuous political and financial turmoil in 2009, have been able to introduce and support many innovative initiatives and projects that add value and help the Members to be successful in this difficult environment. New innovative approaches in the advocacy and lobbying sphere in 2009 include, but are not limited to:

"Partnership for Successfully Competing in the Global Economy" is a special analytical working product of the Chamber developed in conjunction with the Chamber Board of Directors, Committees and Working Groups in conjunction with numerous respected analysts and experts with the primary goal to join key policy makers and the private sector in building a strong and competitive Ukrainian economy that will help to navigate the current financial turbulence and ensure that Ukraine is well positioned when economic recovery and growth trends begin again. It was launched on April 23rd 2009.

In its Partnership at the macro level, the Chamber selected the most relevant indicators from the Global Competitiveness Index (GCI), an internationally recognized measure of competitiveness formulated by the World Economic Forum (WEF). The Chamber has targeted **seven key sectors** for the commencement of this Partnership and has selected indicators to measure Ukraine's progress in achieving competitiveness in them. These sectors are:

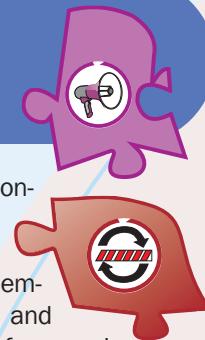
1. Agriculture;
2. Banking and financial services;
3. Fast-moving consumer goods (FMCG) and retail;
4. Commercial real estate and construction;
5. Telecommunications;
6. Fuel and energy;
7. Travel and tourism.

The Partnership's objective is not simply to analyze the barriers and obstacles for businesses and investors in Ukraine and the difficulties that the Government of Ukraine must confront during the reform process. Rather, this Partnership requires an action-oriented, structured program that directly engages the Government of Ukraine — and one that will be continuously updated.

This program is available for use by the Government of Ukraine, the Chamber, its Members, independent think tanks, NGOs, and other interested parties to present positive changes and reforms in Ukraine, to stimulate a dialogue between the public and private sectors on national development strategies, and to monitor the status of reforms.

Starting from the 2nd part of the year the Chamber and its Members after receiving positive acknowledgements from the Ukrainian State authorities (executive and legislation branches) are working closely with appropriate governmental institutions analyzing and discussing the Partnership's plans and proposals.

New Chamber Committees & Working Groups



The Chamber Committees and Working Groups continue to serve as the main Advocacy & Policy vehicles to successful lobby for positive changes. The Committees and Working Groups enable Member organizations to address pressing industry and sector-specific policy-related issues to all levels of appropriate Ukrainian State authorities including but not limited to the Parliamentary Committees, Presidents Administration, Cabinet of Ministers and individual Ministries, city and regional administrations, etc. The Chamber Committees are standing, many of which have been active for many years. On the other hand, the Chamber Membership utilizes Working Groups to focus on specific issues and bring together Members who are experts on that issue to develop and execute an action plan to resolve the problem and then disband. This structure is very effective in resolving specific issues in a short period of time.

Based on the Membership interest and specificity of the Ukrainian market a new **Public Relations (PR) Committee** was launched at the beginning of 2009. The fellow Member companies — the PRP Group and Oranta — were among the volunteers to lead the Committee, which is aimed to promote international standards in PR profession in Ukraine through exchange of experience and expertise, providing professional networking platform, developing joint initiatives for development of PR profession in Ukraine. The new PR Chamber Committee works in close and beneficial partnership with the Ukrainian Association of Public Relations.

In 2009 another joint forum has activated its work bringing new knowledge and information to the Members in such important sphere as security of the business: the Overseas Security Advisory Council (OSAC), which the Chamber and the US Embassy maintain together. Today Chamber Members and partners are able to read the "Tip of the Week" news in each issue of the Chamber Weekly Bulletin dedicated to a variety of topics as well as to participate at the specialized seminars where speakers include professionals and specialists from the US specialized bodies.

Chamber Innovations in 2009

Chamber "Insiders View" Meetings

The current year continued to bring challenges and changes caused by the global financial crisis creating a situation that remains unclear and tenuous. To gain additional insight into the current situation as well as future forecasts, the Chamber was pleased to host a series of special Chamber "Insiders View" Meetings entitled "**The Global Financial Instability and the Repercussions for Business in Ukraine**" with the insights of leading professionals representing the private sector (i.e. BNP Paribas, Citibank, Calyon Bank, PricewaterhouseCoopers, Horizon Capital, KPMG, Dragon Capital, etc.) the international financial institutions (International Monetary Fund, the World Bank, the European Bank of Reconstruction and Development, the International Finance Corporation), and other expert communities.

This format of meetings, exclusively for Chamber Members, was designed to proactively respond to the needs of the Membership within the dynamic and fluid political environment providing value-added benefits and access to timely information and decision makers.



To the left: Mr. Tomas Fiala, Dragon Capital; Mr. Boris Krasnyansky, PricewaterhouseCoopers; Mr. Dominique Menu, UkrSibbank; Mr. Jorge Zukoski, the Chamber; Mr. Jaques Mounier, Calyon Bank Ukraine; Mr. Nadir Shaikh, Citibank Ukraine

Chamber "Knowledge Series" Seminars



Chamber Member company shared value added real life experience with tax and customs issues during the Chamber Knowledge Series Seminar "Tax and Customs Audits"

The Chamber Knowledge Seminars held within the framework of the Chamber "**Competitiveness of the Ukrainian Economy**" Series served as another innovative tool providing Members a unique opportunity to obtain a direct access to cutting-edge technologies and hear from the true leaders in a variety of industry sectors.

Examples of the Chamber Knowledge Seminars held in 2009 include, but are not limited to: "Tax and Customs Audits"; "Specifics of Business and Tax Accounting in Foreign Companies"; "International Standards as Elements of the Systematic Management of the Company"; "Mediation as an Alternative Mechanism for Resolving Internal Company Disputes"; "Mediation as Toolkit for Effective Dispute Resolution"; "Managing Your Customer Experience to Drive Growth" where many important issues and areas were discussed helping and assisting employees of the fellow Members to continue professionally developing, growing and successfully competing.

Chamber Innovations in 2009

Foreign Investment Advisory Council (FIAC) under the President of Ukraine

The Chamber continued to work closely with the Foreign Investment Advisory Council (FIAC) under the President of Ukraine advocating on variety of industry-sectors and general issues on behalf of its Membership. On October 20th the Chamber participated in the IX FIAC Plenary Session, which was chaired by the President Yushchenko. Minister of Foreign Affairs of Ukraine Petro Poroshenko, Head of the National Bank of Ukraine Volodymyr Stelmakh, Deputy State Prosecutor Tetyana Korniyakova, and other top level Ukrainian State officials together with foreign Members of the FIAC discussed the current situation of the investment and economic policy, areas of concern, progress and achievements as well as plans for the future.

Mr. Jorge Zukoski, President of the Chamber updated participants on the Chamber's "Partnership for Successfully Competing in the Global Economy" stressing the progress in many areas as well as the necessity to continue addressing many key issues that are impacting investors including VAT administration, tax reform, improved customs clearance procedures, a competitive waste packaging management system, effective IPR protection, proper law enforcement, etc. The Chamber stays committed to continuing working on a wide variety of economic issues, and believes that the Partnership will serve as a strategy for the development of competitive and strong economy of Ukraine.

Throughout the year 2009 the Chamber has been proactively involved in representing the Membership within the Cabinet of Ministers Investors Council. This new communication and policy channel was established to develop and maintain a regular dialogue with the investment community. Many Chamber Committees and Working Groups have been directly involved in the meetings of the Cabinet of Ministers Investors Council advocating for necessary changes in their appropriate industry sectors. Ministry of Finance, State Committee on Technical Regulation and Consumer Policy, State Commission on Securities and Stock Markets, Ministry of Regional Development and Construction, etc. are among those institutions, which maintain an active dialogue under auspices of the Investors Council and work closely with the Chamber.



The IX FIAC Plenary Session

Chamber Innovations in 2009

Events Innovations

Over the last year the Chamber of Commerce has been working diligently to add value to the Membership by providing a wide variety of professionally executed events that serve as a platform for Business and Social Networking. The Chamber Events Team has been successful in increasing the quality of events in 2009 and looks forward to continuing to introduce new, innovative and segmented events adding more value to Member Companies in 2010 and beyond.

This format of meetings, exclusively for Chamber Members, was designed to proactively respond to the needs of the Membership within the dynamic and fluid political environment providing value-added benefits and access to timely information and decision makers.

Champions League Matches with the Chamber

In 2009, the Chamber together with the Chamber Member Winner Automotive, official dealer of Ford Motor Company in Kyiv, introduced the series of Champions League matches showing football matches of FC Dynamo Kyiv and FC Shakhtar Donetsk. The Chamber showed battles between FC Dynamo Kyiv and FC Barcelona, FC Internazionale, and FC Rubin.



Online Payments

This new service provides Chamber Members with possibility to make payments more easily and quickly.

Chamber Foot Quest



In 2009, the Chamber Events Team launched a new team building event which was highly successful among Chamber Membership. The quest gathered players and their colleagues, friends and family members, who supported the teams throughout the game. All attendees enjoyed the beautiful sights of a very picturesque location of Pyrohovo, where they explored little hidden places, while looking for the treasures.

Chamber Innovations in 2009

Communications Innovations

Partnership for Successfully Competing in the Global Economy

"Partnership for Successfully Competing in the Global Economy" is a special new analytical working product of the Chamber developed in conjunction with the Chamber Board of Directors, Committees and Working Groups in conjunction with numerous respected analysts and experts with the primary goal to join key policy makers and the private sector in building a strong and competitive Ukrainian economy that will help to navigate the current financial turbulence and ensure that Ukraine is well positioned when economic recovery and growth trends begin. The first issue of the Partnership was issued in April 2009, the second – in November 2009. The analytical report will be updated once in each 6 month.

Chamber Success Stories

This is another new Policy related project, which the Chamber started in 2009 highlighting the major achievements of the Chamber Policy Team, the Chamber Committees and Working Groups in their proactive dialogue with the Ukrainian State authorities.

Chamber "Success Stories" publication summarizes in an easy and friendly format results of many meetings and discussions when the Chamber advocates on behalf of the Membership many important issues providing strong arguments proving and protecting its position; variety of letters and position papers made public in different industry sectors; continuous advocacy work of the Chamber and many Ukrainian industry related associations. The publication is aimed at raising awareness on the Chamber advocacy campaigns and the policy progresses and successes achieved.



CHAMBER SUCCESS STORIES

Investor's Position



Investor's Position 2009 march

The theme **DERIVATIVES**

The Chamber has launched a new external publication, highlighting the position of the investment community targeting Ukrainian experts and government officials. Each issue of the Chamber's "Investor's Position" is devoted to a specific topic addressing recently developed legislative acts and/or initiatives important for strengthening the competitiveness of Ukraine in the global marketplace. It is issued in Ukrainian language as well and is sent in the PDF format to the target audience as well as each issue is available on the Chamber's website in the section of Chamber Publications.

Chamber Legislation Update



The Chamber of Commerce in Ukraine
Uniting Leading Companies from over 50 Nations across the Globe

Legislation Update

For several years the Chamber issues the Advocacy & Committee Update that is sent every Thursday in the html format to many hundreds of subscribers. The publication consists of many important sections and covers the entire policy and advocacy activity. Continuing to improve and strengthen communication flow the Chamber has split the publication and starting from the Fall 2009 readers have an opportunity to be fully and on time briefed on newly adopted legislation and regulations, registered drafts at the Parliament as well as drafts placed on the websites of the executive branch of power's governmental institutions..

Chamber Membership Update



CHAMBER MEMBERSHIP UPDATE

Chamber Membership Update welcomes NEW Chamber Members and introduces them to the Chamber "family" of companies in order to assist new Members in expanding their business Network and old Members to identify potential partners and clients.

The "Membership Update" also includes important information regarding changes of Chamber Captains of Industry (COIs) as well as office locations and contact information to ensure that the Chamber business community remains up to date on all of this valuable information.

Chamber Innovations in 2009

Joint Project with "Delo" and IFC – "Investment Attractiveness of Ukraine"

The Chamber in conjunction with newspaper "Delo" and International Financial Institution have conducted the research "Investment Attractiveness of Ukraine", aimed at evaluation of investment potential of Ukraine and the most attractive for investors sectors of economy. Results of the research were published in the special issue of "Delo."

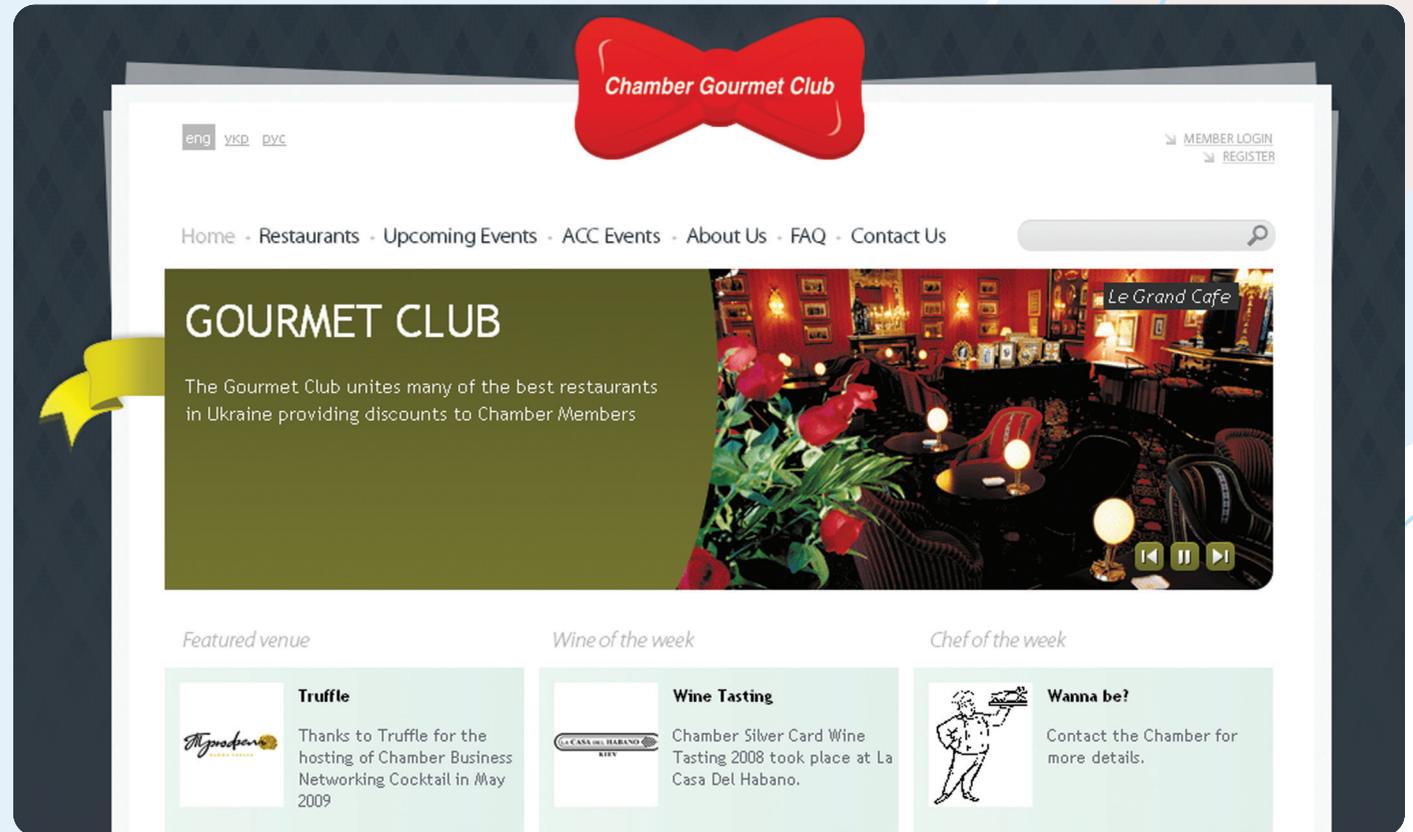
Chamber Bi-lingual Website

In 2009, the wide variety of information on the Chamber events and activities has become available for Ukrainian speaking audience with the help of new bi-lingual web site. The Chamber Communication Team is constantly working adding new services and tools, improving the design to make the Chamber web-site even more user friendly.

Chamber Gourmet Club Website

www.gourmetclub.ua

In 2009 the American Chamber of Commerce (Chamber), in conjunction with Chamber Member Running Code, developed and launched a new interactive Gourmet Club website in three languages as a platform to further promote the Gourmet Club and the restaurants who participate while providing targeted information to potential customers assisting them in making their dining decisions. The Chamber Gourmet Club unites the best restaurants in Ukraine within the Chamber Member 2 Member Discount Card Program. Chamber Members enjoy discounts at some of the best places to dine in the country and the Chamber continually seeks to add more restaurants and benefits to the growing and dynamic Gourmet Club.



Chamber External Communication Activities

Chamber in Media Highlights

The Chamber Communications Team's priorities include the provision of access to information, resources, contacts and business support services to facilitate new investment and providing an effective platform for Networking, information sharing and achieving common goals, the Chamber actively and successfully cooperates with reliable media partners including, but not limited to:

WHAT'S ON

WHAT'S ON

In the current marketplace an effective Networking platform is crucial to build business relationships and the Chamber is pleased to be a leader in providing such a platform. The Chamber is proud to continue the long-lasting and beneficial cooperation with Chamber Member Telegraf Media Group's magazine *What's ON Kyiv*. All Chamber Networking events have been covered in the *Kyiv Life* section of the magazine, promoting a variety of Chamber professional events, stressing the importance of the Networking platform that the Chamber is successfully providing to its Membership. The Chamber is thankful to What's ON magazine and is looking forward to expanding the cooperation with new and creative ideas.



Ukrainian Journal of Business and Law

Chamber Member Yuridicheskaya Praktika Publishing's "Ukrainian Journal of Business and Law" (UJBL) continued its cooperation with the Chamber in 2009. The Journal's readers include managers and lawyers of leading international and Ukrainian companies; visitors and employees of foreign embassies in Ukraine; Ukrainian embassies abroad, representatives of international organizations; members of leading business associations, airlines, participants of trade and industrial exhibitions and conferences. Every issue of UJBL in 2009 had a Chamber News page, where the activities of the Chamber Committees were highlighted. The Chamber is pleased to have had such a wonderful opportunity to update the international community in Ukraine on its important Policy activities.

In 2009, the American Chamber of Commerce in Ukraine has continued working on further developing effective and targeted external communications for the benefit of the Membership and attracting additional interest in Ukraine among both investors and influential policy makers. There are three key external communications activities of the Chamber:

- Communicating Chamber Policy priorities and success stories to the domestic and international media;
- Providing informational support to international events, conferences, roundtables, etc. in Ukraine and across the globe to increase awareness and Ukraine's competitiveness in the global market-place;
- Participation of the Chamber President in major international events where the Chamber is speaking out on Ukraine's competitive advantages in order to encourage investment and ensure that Ukraine remains an important foreign policy priority.



Business Ukraine

In 2009 the Chamber continued together with Chamber Member Open Borders Media its monthly project entitled Chamber News in Business Ukraine as an answer to the rapidly changing Ukrainian economic and political situation that requires new sources of information as well as business skills and strategies. The Chamber is pleased to contribute to Business Ukraine as an informative and practical English-language publication in order to provide Chamber Members and other readers with up-to-date information on the Chamber Policy, Advocacy and Lobbying related activities and other targeted analytical business related information, comprehensive overview of events and services provided by the Chamber to Members. Business Ukraine is a monthly magazine in English with a print run of 25,000 copies that is distributed throughout Ukraine to key decision makers in both business and politics.

Chamber External Communication Activities

Chamber as an Opinion Leader

Over the years the Chamber has established positive relationships with international and domestic media outlets operating in Ukraine. Chamber President Mr. Jorge Zukoski is often approached during times of both prosperity and growth as well as times of political and financial turmoil with a request to provide professional and unbiased feedback on what the strategic and institutional investors are thinking and how issues will impact the internationally oriented investment community. The issues raised vary and Mr. Zukoski remains a reliable partner for reputable media resources.

The Chamber Board of Directors and Policy Team continued to be involved in a proactive dialogue with many Ukrainian State officials ensuring that the Membership receives value added tangible and successful advocacy solutions. Throughout the year the Chamber worked closely with the Foreign Investment Advisory Council under the President of Ukraine. The Chamber Policy Team was actively involved in different Public Councils under the Prime Minister and other Ministries, in the Expert Councils organized by the Parliamentarian Committees.



Chamber Board members and the Chamber President spoke on an FDI panel during the III Europe-Ukraine Forum

The Chamber is pleased to be working with and to be quoted by the following international media:



Reuters Group Limited

is a British based news service and former financial market data provider that provides reports from around the world to newspapers and broadcasters. News reporting once accounted for less than 10% of the company's income. Its main focus was on supplying the financial markets with information and trading products.

FT



The Financial Times (FT) is a British international business newspaper. It is a morning daily newspaper published in London. The periodical is printed at 24 sites. Its main rival as a daily financial newspaper is the New York City-based Wall Street Journal, which also publishes several international editions.

Interfax



Chamber has partnered with Interfax Ukraine and finds this media source both powerful and reliable in disseminating important Chamber policy priorities. Information ran through Interfax immediately reaches all Ukrainian media. The Interfax-Ukraine News Agency – a company belonging to the international group Interfax Information Services – has been a provider of information in the political and economic information market of Ukraine since 1992.

Chamber External Communication Activities

The Chamber is pleased to be working with and to be quoted by the following Ukrainian media:

1. **Delo:** nationwide publication, published in Kyiv, Zaporizhzhya and Lviv, providing reviews of business-processes, developments in economy, politics, corporate sector, etc.
2. **Delovaya Stolitsa:** all-Ukrainian weekly publication. Main topics cover economy, finance, infrastructure, companies, markets, etc.
3. **Economichna Pravda:** electronic media, devoted to business and economy. Mission of the project is to support transparency of power, implementation of market economy principles in Ukraine and minimization of state control.
4. **First Business Channel:** specialized business TV, which broadcasts business news and analytical reviews. The Channel is broadcasted in Ukraine (90% of cable networks) Eastern and Central Europe.
5. **Focus:** weekly magazine dealing with the most important events in Ukraine and worldwide. Magazine contains comments of experts and photos. Disseminated in 40 towns of Ukraine.
6. **InvestGazeta:** all-Ukrainian finance-economic weekly magazine, which contains news of finance and fund market, information on activity of companies, banks; analytical reviews, ratings, practical recommendations on management and marketing.
7. **Kommersant:** publication delivers objective information on developments in business, politics, society, culture and sports.
8. **Kontrakty:** publication provides analyses of major business developments in columns "Money", "Sphere of Influence", "Companies and Markets", "Business Secret", "Histories of Successes and Failures", "Career of a Company", "Manager's Career".
9. **Commentarii:** investigates interconnections between different events, people, businessmen, providing analytical reviews and forecasts.
10. **LigaBusinessInform:** business portal including news, analytics and services for business.
11. **"Po-Kievsky" Newspaper:** local Kyiv newspaper, dealing with the capital's life, events trends.
12. **Ukrainian Business Resource:** business news from Ukraine and the world.
13. **Ukrinform:** news agency producing more than 500 news in Ukrainian, Russian, English and German, as well as around 200 photos a day.
14. **UNIAN:** information agency which provides political and economic news on the main proceedings in the capital and regions of Ukraine.
15. **24 Channel:** first Ukrainian news channel. Mission of the channel is to deliver objective and nonpartisan broadcasting of news and important information.
16. **RBC Ukraine:** independent Ukrainian information agency, specializing on finance, economy and political news from Ukraine, CIS and EU.



Chamber President spoke at the USAID "Competitiveness in the Next Decade" Conference

Chamber External Communication Activities

Information Support

The American Chamber of Commerce is pleased to actively support and promote international forums and conferences organized by leading international institutions which promote Ukraine as an investment destination and provide participants with access to decision makers both within the business community and among policy makers.

Adam Smith Conferences and the Chamber have enjoyed a longstanding history of successful cooperation and the Chamber is pleased to support and participate in their well-organized high-quality events. The Chamber successfully worked with Adam Smith Institute in their II Annual Ukrainian Pharmaceutical Forum, III Annual Banking Forum, II Annual Ukrainian Insurance Forum and other events.

Economist Conferences, a division of the Economist Intelligence Unit, is the leading provider of international forums for senior executives seeking new insights into strategic issues. These meetings include industry conferences, management events and government roundtables held around the world. Each meeting organized by Economist Conferences delivers objective and informed analysis. The meetings provide unusually high-level forums where senior executives can gain insights, exchange views and compare strategies.

In 2009 the Chamber took part in the 2009 Emerging Markets Summit (London, UK), a rich, focused and interactive debate for over 300 senior executives and business leaders from around the world.

Point Carbon is a world-leading provider of independent news, analysis and consulting services for European and global power, gas and carbon markets. The Chamber has been working with Point Carbon on Climate Change and Business Conferences. The main aim of the event was to pro-

vide insight as Ukraine is one of the most promising carbon markets in Eastern Europe, and to focus on the United Nations Framework Convention on Climate Change (UNFCCC) and Ukrainian's perspectives in respect to this document.



Chamber President, Jorge Zukoski, chaired the "Infrastructure of the Ukrainian Agriculture Sector "From the Field to the Point of Sale" Panel of the Adam Smith Agribusiness Congress

Throughout 2009, American Chamber of Commerce in Ukraine supported and participated in the following meetings, events:

- The Financial Times Global Event – 2009 Investing in Ukrainian Telecoms Conference (Kyiv, Ukraine). Gathered senior international and Ukrainian professionals and decision makers, this high-profile forum was provided insight into the Ukrainian telecoms market within a European and global context, whilst highlighting key growth opportunities, tracking trends in the corporate and investment climate and appraising strategies to raise domestic and international capital.
- International Investment Summit (Donetsk, Ukraine). Organized by Conference House, the summit was the largest regional annual event in Ukraine having attracted constant interest of foreign and domestic companies, which are interested in development of business in Donetsk Region; central and local authorities; representatives of all branches of Donetsk business.
- IX Lviv International Economic Forum "INVESTMENT. INNOVATION. COMPETITIVENESS. Reinvigorating Ukrainian Regions against a Backdrop of Global Economic Crisis" (Lviv, Ukraine). On October 1st the President of the American Chamber of Commerce in Ukraine, Mr. Jorge Zukoski took part in the opening plenary session of the Forum.
- The VI Forum of Yalta European Strategy (YES), the largest informal forum on strategic relations of Ukraine and the world, was held on September 25th and 26th, discussing the post-crisis development of Ukraine and the world.
- IV European PR Congress 2009 (Kyiv, Ukraine). The Chamber PR Committee held its open meeting as a part of the IV European PR Congress. The main topics of this year's Congress were "Strategy or Tactics?" and "How Communication Changes within an Environment of Total Distrust."
- "Use of European Jurisdictions for Structuring Business Projects in Ukraine" International Conference (Limassol, Cyprus) organized by Ukrainian Bar Association.

Advocacy and Lobbying Activities

Ukrainian Government Relations

In 2009 the advocacy and policy activity priorities of the American Chamber of Commerce in Ukraine (Chamber) were focused on addressing issues regarding the impact of the global financial crisis on the Ukrainian economy identifying opportunities for strengthening competitiveness of the Ukrainian economy, including but not limited to:

- Improving Accountability;
- Rule of Law;
- Corporate Governance;
- Financial Market Development;
- Tax Reform;
- Customs Reform;
- Judicial Reform;
- Administrative Reform;
- Anti-corruption Policy;
- Energy Security;
- Investment Incentives Targeted towards Developing a Knowledge Economy.

As an organization that strives to be a reliable partner for the Ukrainian Government in the sphere of investment and economic policy, the Chamber together with its Board of Directors and our internationally oriented Member companies, who are leaders in different industry sectors, united efforts of relevant Government agencies, the private sector as well as experts from non-governmental organizations to focus on developing and strengthening the competitiveness of Ukraine.

In 2009 the Chamber along with specialists from Chamber Member companies prepared and launched the analytical working product entitled "Partnership for Successfully Competing in the Global Economy".

The "**Partnership for Successfully Competing in the Global Economy**" is a special new analytical working product that proposes an innovative approach designed to bring key policy makers and the private sector together to implement a comprehensive program of regulatory and legislative reform to help navigate the global financial turbulence and ensure that Ukraine is competitive in the future when global growth resumes.

The Competitiveness Partnership Project targeted seven key sectors and selected indicators to measure Ukraine's progress in achieving competitiveness in them. These sectors are:

1. Agriculture;
2. Banking and financial services;
3. Fast-moving consumer goods (FMCG) and retail;
4. Commercial real estate and construction;
5. Telecommunications;
6. Fuel and energy; and
7. Travel and tourism.

In November 2009, the Chamber presented a **six-month Update** of the Partnership that includes new and updated sections on Fuel and Energy, Taxation, IT and Telecommunication that were prepared based on consultations with the Chamber Membership and the Government of Ukraine.

The Chamber jointly with the Ukrainian Government held a series of events in 2009 focused on implementation of the action plans incorporated into the "Partnership for Successfully Competing in the Global Economy".



Ukrainian Government Relations



Mrs. Oleksandra Kuzhel, Head of the State Committee on Regulatory Policy and Entrepreneurship; Mr. Yuriy Poluneev, Peoples' Deputy and Head of the Council on Competitiveness of Ukraine

On April 23, 2009 in the Ballroom of the Premier Palace Hotel in downtown Kyiv, the Chamber proudly hosted the **Round Table discussion "Increasing Ukraine's Competitiveness — Government & Business Partnership"**, devoted to the launch of Chamber's analytical publication "Partnership for Successfully Competing in the Global Economy". The Round Table gathered Mr. Yuriy Poluneev, Peoples' Deputy and the Head of the Council on Competitiveness of Ukraine; Mrs. Ksenia Lyapina, Peoples' Deputy, Deputy Head of the Parliamentarian Committee on Industrial and Regulatory Policy and Entrepreneurship; Mrs. Oleksandra Kuzhel, Head of The State Committee on Regulatory Policy and Entrepreneurship; Mr. Sergey Tigipko, Co-Chair of the Investors Council of the Cabinet of Ministers; Mr. Boris Krasnyansky Managing Partner of PricewaterhouseCoopers, Chairman of the Board of the American Chamber of Commerce in Ukraine; Mr. Ihor Burakivskiy, Director of the Institute of Economic Research and Political Consultations; Mrs. Inna Pidluska,

Executive Director, Yalta European Strategy (YES); Mr. Thomas Eymond-Laritz, President, Viktor Pinchuk Foundation; Mr. Andrei Lobatch, Senior Project Manager, Foundation for Effective Governance; and Mr. Jorge Zukoski, President of the Chamber.

On September 8th, 2009 the World Economic Forum (WEF) released "The Global Competitiveness Report 2009-2010", where Ukraine found itself significantly worse in its ranking position moving from 72 to 82 out of 133 countries. The Chamber addressed the political leadership including the President, Prime Minister, and Speaker of the Parliament of Ukraine with a written request to strengthen cooperation and unite efforts to improve Ukraine's competitiveness.

The Chamber appreciated the quick response to the Chamber's appeal expressed by representatives of the Ukrainian political elite and their commitment to maintain a focused dialogue with the Chamber addressing specific industry-related issues as well as macroeconomic indicators.

On September 24th, 2009 the Cabinet of Ministers of Ukraine issued the Order to implement the proposals of the Chamber as set forth in the "Partnership for Successfully Competing in the Global Economy" including requests to the Ministry of Economy and central bodies of executive power (- the State Tax Administration, the State Customs Service, etc.) asking to work on the issues outlined in the Chamber's Partnership.

On October 1st, 2009 Mr. Jorge Zukoski, President of the Chamber took part in the opening plenary session at **the IX Lviv International Economic Forum**. Among other important meetings and discussions, Mr. Zukoski presented the Chamber's Competitiveness Report to the President of Ukraine Viktor Yushchenko.

On October 20th, 2009 the Chamber participated in **the IX Foreign Investment Advisory Council (FIAC) Meeting** where

Mr. Jorge Zukoski updated the FIAC Members on the Chamber's "Partnership for Successfully Competing in the Global Economy" stressing the progress in many areas as well as the necessity to continue addressing many key issues that impact investors.

On October 27th, 2009 the Chamber presented to the Ministry of Finance of Ukraine its **"Ten Tax Initiatives"**, which is an integral part of the Chamber's Partnership dedicated to taxation policy. The ultimate goal of the "Ten Tax Initiatives" is to make Ukraine a more competitive tax jurisdiction. The Chamber identified Ukraine's principal tax challenges and made practical recommendations for enhanced of tax competitiveness, efficiency and fairness.

The Chamber also closely worked with the State Tax Administration and the State Communication Administration (- part of the Ministry of Transport and Communication of Ukraine) on the Chamber's proposals regarding possible changes in the legislation in the relevant spheres proposed by the "Partnership for Successfully Competing in the Global Economy."

Mr. Volodymyr Lytvyn, Speaker of the Parliament reacted to the Chamber's letter by sending a request on October 5, 2009 to the Parliamentarian Committee on Economic Policy to work with the Chamber on improvement of the sectors of the Ukrainian economy indicated in the Chamber's letter.

The American Chamber of Commerce in Ukraine, as a Member of the Investors' Council under the Cabinet of Ministers of Ukraine, in conjunction with working groups under different Ministries and State Committees has intensified the work on prevention of decreasing of rating evaluation of Ukraine and developing of measures for raising level of Ukraine in the rating of the International Finance Corporation in its research "Doing Business 2009." During 2009, the Chamber has been closely working with the Ministry of Economy of Ukraine, Ministry of Labor and Social Policy, Ministry of Agrarian Policy, State Commission of Securities and Stock Markets and Ministry of Finance focusing on analysis of problems which negatively impacted Ukraine's rating in IFC's research.

Ukrainian Government Relations

In 2009 the Chamber continued a series of "In-Focus" meetings for the Membership exploring the repercussions of the global financial crisis on the business community operating in Ukraine and providing direct access to responsible professionals and decision makers. The Chamber Policy Team in conjunction with leadership of the Chamber Committees kept an ongoing dialogue with the Parliamentary Committees on Tax and Customs Policy, on Financial and Banking Services, on European Integration, and on Health as part of the overall Chamber's strategy to provide reliable input and information to key policy makers that play a major role in the development of anti-crisis legislation while helping to shape the development of economic policy to address issues for the benefit of the Chamber Membership.

Throughout the year the Chamber Membership was provided with a wide variety of opportunities to engage in a positive dialogue with key decision makers within the Ukrainian Government through Chamber Committees and Working Group Meetings, General Membership Meetings, "In-Focus" and "Insiders' View" meetings.

*Mr. Hryhoriy Nemyrya,
Vice-Prime Minister
of Ukraine*



In 2009, the Chamber participated in many important events and hosted meetings with many Ukrainian and foreign State officials and experts. There are some of them who addressed and communicated with the Chamber Membership:

- **Mr. Borys Tarasyuk**, Head of the Parliamentarian Committee on European Integration;
- **Mr. Serhiy Teriokhin**, the Head of the Parliamentarian Committee on Tax and Customs Policy;
- **Mr. Oleksiy Gashytskiy**, Head of the Department of Intellectual Rights Protection of the Trade Policy Affairs Department of the State Customs Service of Ukraine;
- **Mr. Serhiy Lebid**, Deputy Head of the Department on Fighting of Organized Crime of the Ministry of Interior of Ukraine;

- **Mr. Valentin Chebotarev**, Deputy Head of the State Department of Intellectual Property Rights of the Ministry of Education and Science of Ukraine;
- **Mr. Max Alier**, IMF Resident Representative in Ukraine;
- **Mr. Andre Kuusvek**, Director, Ukraine – European Bank for Reconstruction and Development (EBRD);
- **Ms. Elena Voloshina**, Country Representative in Ukraine of the International Finance Corporation (IFC);
- **Mr. Hryhoriy Nemyrya**, Vice-Prime Minister of Ukraine;
- **Mr. Serhiy Terokhin**, Head of the Verkhovna Rada Tax and Customs Committee
- **Mr. Anatoliy Makarenko**, Head of the State Customs Service of Ukraine;



*Mr. Borys Tarasyuk, Head of the Parliamentarian
Committee on European Integration*

Ukrainian Government Relations



Mr. Mykola Azarov, Head of the Parliamentarian Committee on Finance and Banking

- **Mr. Olexandr Melnychenko**, the Acting Head of the Anti-monopoly Committee of Ukraine;
- **Ambassador Jose Manuel Pinto Teixeira**, Head of the European Commission Delegation in Ukraine;
- **Mr. Mykola Azarov**, Head of the Parliamentarian Committee on Finance and Banking;
- **Mr. Volodymyr Fesenko**, Head of the Center of Political Researches "Penta";
- **Mr. Vitaliy Portnikov**, Political Observer, Radio Liberty;
- **Mr. Andriy Yermolaev**, President of the Center of Social Research "Sofia";



Mr. Vitaliy Portnikov, Political Observer, Radio Liberty



Mr. Grygoriy Surkis, President of the Football Federation of Ukraine

- **Ms. Ceyla Pazarbasioglu**, IMF Mission Head in Ukraine;
- **Mr. Ivan Vasiunyk**, Vice Prime Minister of Ukraine;
- **Mr. Grygoriy Surkis**, President of the Football Federation of Ukraine;
- **Mr. Viktor Suslov**, Head of the State Commission for Regulation of Financial Services Markets of Ukraine;
- **Mr. Volodymyr Slabiy**, Head of the UkrPEC;
- **Mrs. Oleksandra Kuzhel**, Head of the State Committee on Regulatory Policy and Entrepreneurship of Ukraine;
- **Mr. Petro Martinenko** and **Mr. Ivan Tymchenko**, Former Judges of Constitutional Court of Ukraine;
- **Mr. Anatoliy Shapovalov**, First Deputy Head of the National Bank of Ukraine (NBU);
- **Mr. Petro Verbytskyi**, Head of the State Committee for Veterinary Medicine of Ukraine;
- **Mr. Viktor Pynzenyk**, ex-Minister of Finance of Ukraine, Chairman of the Ukrainian Reform Support Foundation, and others.



Mr. Viktor Pynzenyk, ex-Minister of Finance of Ukraine, Chairman of the Ukrainian Reform Support Foundation

Ukrainian Government Relations

In 2009, the Chamber addressed the Cabinet of Ministers, Presidential Secretariat, and Parliament of Ukraine and other Governmental institutions with many important issues including but not limited to:

- **On the VAT reimbursement;** on legislation regulating Seeds and Planting Material registration (Cabinet of Ministries of Ukraine, Ministry of Agrarian Policy);
- On improvement of the **labor policy** aimed at reducing the problems, which negatively influence the Ukrainian labor market as well as to improve the legislative base regulating labor relations (Ministry of Labor and Social Policy);
- On Corporate Income Tax, "**anti-crisis**" legislation providing measures for minimization of financial crisis impact; on 13% Extra Duty to Current Customs Duty Rates legislation; on improvement of the Value Added Tax administration (Ministry of Finance, Parliamentarian Committee on Tax and Customs Policy, State Tax Administration, State Committee for Regulatory Policy and Entrepreneurship);
- On improvement of the **Law on Joint Stock Companies;** on changes to the Civil Code of Ukraine; on legislation on derivatives (State Commission on Securities and Stock Market);
- On **customs value of goods,** inclusion of royalties' payments into the customs value of goods as well as methods and procedures of such payments, electronic customs adoption in Ukraine; on regulation on licensing of the customs brokers business in Ukraine; on regulation of taxes and duties on shipments with the value under 100 Euro; on "White Lists" practice implementation (State Customs Service of Ukraine, Ministry of Finance of Ukraine);
- On the Concept of the development of the **State system of legal protection of intellectual property rights** in 2009–2012 (State Department on Intellectual Property Rights of Ukraine);
- On improvement and development of legislation in the **sphere of bankruptcy** (State Department on Bankruptcy);
- On increasing of tariffs for usage of water (Ministry of Justice of Ukraine); on improving of **legislation in the sphere of city construction;** on the City Construction Substantiation (Ministry of Regional Development and Construction);
- On implementation of the **system of collecting, sorting, transportation, recycling and utilization of wastes as secondary raw materials** (Cabinet of Ministers of Ukraine, Ministry of Finance, Ministry of Environmental Protection, State Committee for Regulatory Policy and Entrepreneurship; Secretariat of the President of Ukraine);
- On Regulation on the issuance, extension, and annulment of **work permits for foreigners and stateless persons** (Cabinet of Ministries of Ukraine, Ministry of Foreign Affairs, State Boundary Service, Ministry of Economy);
- On changes to the **depository system** (National Council of the Security & Defense of Ukraine);
- On **import of products of animal origin** (State Veterinary Committee of Ukraine);
- On **moratorium on pharmaceuticals prices;** on pharmaceuticals sector regulation (Cabinet of Ministries of Ukraine, Verkhovna Rada Healthcare Committee, Secretariat of the President of Ukraine);
- On the **Subsoil Code** and legislation regulating oil and gas industry (Ministry of Economy of Ukraine, Verkhovna Rada Fuel and Energy Committee);
- On regulation of **price formation for socially-significant food products** (Ministry of Economy of Ukraine, Ministry of Agrarian Policy of Ukraine).

The Chamber continued its policy activities started in 2008 when the Chamber Policy Team was invited to participate in the work of the **Expert Councils organized by the Parliamentary Committees:** Committee on Industrial and Regulatory Policy and Entrepreneurship and Committee on Tax and Cus-

toms Policy, European Integration Committee. Since that time the Chamber Policy Team has regularly participated in meetings of the various Councils discussing draft legislation related directly to the investment environment and business operations in Ukraine.

In 2009, the Chamber continued to maintain an **active and effective dialogue with Governmental authorities through the network of Public Councils** operating under the Ministry of Finance, Ministry of Foreign Affairs, Ministry of Healthcare, Ministry of Education and Science, Department on Intellectual Property Rights, State Committee for Technical Regulation and Consumer Policy, State Committee for Regulatory Policy and Entrepreneurship, State Tax Administration, State Customs Service, the State Property Fund, the Ministry of Regional Development and Building of Ukraine, the State Agency for Investments and Innovations of Ukraine, and Commission of Financial Markets Regulation.

Also, **the Chamber Policy Team took part in the work of the Presidential Forums "State and Business are Partners"** chaired by the President of Ukraine Viktor Yushchenko. In preparation of such important events the Chamber's Policy Team members assisted the Secretariat of the President and State Committee on Regulatory Policy & Entrepreneurship with agenda items for the events as well as participated in round tables held under the auspices of the Forums.

The Chamber would like to thank once more all our Members for their proactive position, continuous support and regular involvement in many of the policy issues, which the Chamber addresses via its vast network of contacts to appropriate Ukrainian State officials. Based on our mutual cooperation and joint work the Chamber continues to develop and adapt in this challenging environment adding value to Member organizations and assisting by being a "Key to Your Success."

The Chamber's Board of Directors and Administrative Team appreciates the dedication of the Membership and vote of confidence and pledges to continue to stand by our Members through what will be most interesting times that lie ahead.

Advocacy and Lobbying Activities

United States Government Relations



Key Note Address by the U.S. Vice President Joseph Biden

Since 1992 the American Chamber of Commerce in Ukraine (Chamber) has enjoyed a successful history of close cooperation with the United States Embassy in Ukraine as well as various U.S. Government agencies and lawmakers in Washington D.C. This close working relationship has benefited our Member companies and many partners by providing access to information and input into a wide variety of important policy decisions and initiatives with respect to Ukraine. The Chamber and the Chamber Board of Directors held meetings with representatives and leadership of the U.S. Government, the Foreign Commercial Service, and a variety of business and Government delegations of U.S. law and policy makers to provide relevant input into the current business environment.

The Chamber in conjunction with the Embassy of the United States of America in Ukraine supported and hosted a key note address by the Vice President of the United States of America, Joseph Biden on July 22, 2009. CEOs of Chamber Member companies, leading politicians and civil society leaders were invited to attend. Chamber President, Mr. Jorge Zukoski, provided introductory remarks followed by the address of Vice President Biden who touched upon a wide variety of issues stressing the importance of the U.S. – Ukraine bilateral relationship and reaffirming the commitment of the new U.S. Administration to assisting in the further development of a democratic and prosperous Ukraine.

In June, 2009 during his visit to the U.S. Mr. Jorge Zukoski, President of the Chamber, gave an exclusive interview with Voice of America's Ukrainian Service. He talked about business opportunities in Ukraine as well as the political situation in that country and its toll on foreign investments. The interview was broadcast on the Ukrainian 5th TV channel.

Also, in June the Chamber President spoke at the USAID "Competitiveness in the Next Decade" Conference held under the auspices of the Europe & Eurasia Bureau – 4th Annual Regional Conference on Competitiveness and Economic Growth in Kyiv. In April together with the American Bar Association's Rule of Law Initiative the Chamber hosted Head of the State Committee of Ukraine on Regulatory Policy and Entrepreneurship.

United States Government Relations

As an active Member of the **European Council of American Chambers of Commerce (ECACC)**, which unites Chambers from all of the European countries, the American Chamber of Commerce in Ukraine participated in ECACC's regular meetings in Brussels and Washington D.C. where ECACC Members had opportunity to meet with the U.S. and EU officials as well as other senior decision makers discussing many policy, economic and investment related issues aimed to further develop trade and investment relations in these countries.

The United States and Ukraine signed a Trade and Investment Cooperation Agreement (TICA) in March 2008 to serve as a framework for expanding and managing bilateral trade and investment relations. The Council, which held its inaugural meeting in Kyiv in October 2008, focused on steps to improve bilateral trade flows and the investment and business climate in Ukraine. In October, 2009 **the Trade and Investment Council meeting was held in Washington D.C.** The agenda included following areas: trade, economic cooperation, financial issues, investment, agriculture, innovation, intellectual property rights (IPR) protection, transport, customs, taxation, technical regulations and consumer policy. The United States Trade Representative (USTR) Ambassador Ron Kirk hosted the second meeting, and Ukrainian Minister of Economy Mr. Bohdan Danylyshyn lead a delegation of senior Ukrainian officials at the meeting. The Chamber is proud to be involved in preparation of the relative materials and analysis serving as a reliable partner for both sides – the Ukrainian and the US – providing valuable help and assistance based on feedback from the Membership. Mr. Jorge Zukoski also was included into the official delegation of Ukraine to go to New York after the TICA meeting, where several important events were held for the private sector and investment community of the U.S., interested in exploring new opportunities in Ukraine.

The Second Joint Meeting of US-Ukraine Trade and Investment Council

In June, 2009 the Chamber participated at the special **U.S. Trade and Investment Mission to Crimea meetings with Ukrainian Regional State administrations**, promoting the Competitiveness Partnership of the Chamber and proactively networking with the U.S. investors who came to the Crimean region in order to explore new investment opportunities.

As in the previous years, the Chamber, the Chamber IPR Committee, the OSAC Committee and the U.S. Embassy focused on a variety of issues surrounding intellectual property rights in Ukraine, security and defense ones. For the third year, the Chamber has been cooperating with the U.S. Chamber of Commerce engaging the Membership within the framework of the **Coalition Against Counterfeiting and Piracy (CACP)** – a global initiative to effectively prevent the global threat of counterfeiting and piracy on the U.S. economy, the global business community, and consumers through a two-part strategy of education, and increased detection and enforcement. The CACP is a coalition of several hundred businesses and associations committed to increasing the understanding of the negative impact of counterfeiting and piracy to health, safety, and the economy.



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Throughout the year the Chamber held many meetings with different Government and policy-related organizations from the U.S. as well as kept productive and partner relations with fellow business associations operating in the U.S. and concentrating its activity on the further development of the Ukraine – U.S. economic and business relationship.

In 2009, the Chamber joined another important policy initiative started in the U.S. – **Coalition for Innovation, Employment and Development (CIED)**. CIED is an initiative committed to championing the role of innovation in driving job creation and developing breakthrough solutions to global challenges. This internationally diverse group is working to bring industry, labor, consumer and environmental groups together to address challenges ranging from health care and renewable energy, to climate change and other various issues.

Traditionally, the Chamber continued to facilitate the process of legitimate **Business Visas** issuance for Member company employees. The Chamber U.S. Express Business Visa Service is based on formal arrangements and has proven to be both highly effective and valuable service for Chamber Members as well as the Consular Section of the U.S. Embassy. The Chamber also works informally with many Embassies to assist our Members in securing Business Visas for their key employees.

Advocacy and Lobbying Activities

European Union Relations

For many years the American Chamber of Commerce in Ukraine (Chamber) has been an active Member of the European Council of American Chambers of Commerce (ECACC), which unites Chambers from all of the European Union and recent accession countries, and continues to utilize the ECACC network to benefit the Membership as well as support strengthening of Ukraine's investment image.

Through this particular communication channel the Chamber also assists Ukraine's State authorities on their way to integrate the Ukrainian economy into the larger global economic community. In 2009, the Chamber President visited Brussels and together with ECACC Members and colleagues at the European Commission and the American Chamber of Commerce to EU worked to protect and serve the Members interests within the expanding European Union. This active relationship allows the Chamber to

address Members' business interests at the European Commission in Brussels as well as provide timely and relevant input regarding Ukraine as it strives towards further Euro-Atlantic integration and development of a free trade agreement with the EU. Mr. Jorge Zukoski also met with the newly appointed Ukrainian Ambassador to EU, Mr. Andriy Veselovsky.

The Chamber maintains close working relationships with the EU Commission participating at variety of the meetings discussing the EU-Ukraine relationship. In 2009, the Chamber provided support informing the Membership and partners about different events held in Ukraine and in European countries related to economic and investment issues. Examples of the events that the Chamber supported include, but are not limited to: the Third Europe-Ukraine Forum (Kyiv); the Second CIS-EU Legal Forum "EuroLawyer 2009" (Kyiv); the 13th International Conference Corporate Reputation, Brand, Identity and Competitiveness (Amsterdam); the International Conference "Use of European Jurisdictions for Structuring Business Projects in Ukraine" (Limassol); the 2009 Emerging Markets Summit (London); the IX Lviv International Economic Forum "Investment: Innovation, Competitiveness" (Lviv); the IV European PR Congress; the EBRD "Transition Report 2009."

The Chamber continues to hold meetings with investors coming to Ukraine from European countries as well as providing insight into the Ukrainian economic and investment climate to a variety of high-level trade and economic missions. This year the Chamber spoke, met and participated with representatives of the Embassy of Estonia, Embassy of the UK and British Business Club, Embassy of Japan and Japan International Cooperation Agency (JICA), Royal Embassy of Belgium, Embassy of the Kingdom of the Netherlands,



Ambassador Jose Manuel Pinto Teixeira, Head of the European Commission Delegation in Ukraine

Embassy of the Kingdom of Norway and Norwegian-Ukrainian Chamber of Commerce, Embassy of Republic of Argentina, and Embassy of Switzerland, Embassy of the United States of America, and many others.

The Chamber is expanding its partnership network in Europe and now the EU-Ukraine Business Council is among new allies and partners of the Chamber. Together these organizations continue to strengthen joint advocacy and lobbying efforts and initiatives providing more business networking opportunities for the Members.

In 2009 the Chamber continued a proactive dialogue with the key Governmental officials responsible for the Ukraine-EU relationships and held important meetings with Ambassador Jose Manuel Pinto Teixeira, Head of the European Commission Delegation; Mr. Hryhoriy Nemyrya, Vice-Prime Minister of Ukraine who is responsible for the European policy of Ukraine; Mr. Borys Tarasyuk, Head of the Parliamentary Committee on European Integration, and many others.

Together with the Embassy of Finland and the "FinPro" company the Chamber held several week-end trips to Finland and Helsinki in June 2009 combining business networking with enjoyment of the great historic and natural heritages these European countries offer.



EBRD's 2009 Transition Report Presentation

Advocacy and Lobbying Activities

International, Diplomatic, Donor Community and Ukrainian Partners Relations

In 2009, American Chamber of Commerce in Ukraine (Chamber) continued to strengthen value added and beneficial relationships with many of the Embassies in Ukraine, Ukrainian industry-sector associations and other partners to assist the Membership with the resolution of critical issues impacting their businesses and strengthening policy initiatives. During the year the Chamber met with Ambassadors and senior officials from many Embassies briefing them on the most important issues facing the international business community. The Chamber assisted its partners from Embassies to publicize and disseminate announcements on educational events as well as conferences hosted by them.

In September, 2009 Chamber President Mr. Jorge Zukoski participated in a senior level policy event held in Ukraine – Yalta Economic Strategy (YES) and together with many well known and respected leaders took part in many meetings and round tables dedicated to a variety of issues covering economic, investment, political, and social affairs.

The Chamber continued to maintain contacts and hold meetings with leaders of a variety of organizations and institutions to promote the Ukraine's investment image around the world. The Chamber is a reliable partner and cooperates on a regular basis with the World Economic



Ms. Ceyla Pazarbasioglu, IMF Mission Head speaking at the Chamber's "Insiders View" Meeting

International, Diplomatic, Donor Community and Ukrainian Partners Relations



*The 6th Annual Meeting of Yalta European Strategy (YES):
Discussing Ukraine's Future with world Opinion Makers*

Forum (WEF), the Ukrainian State Agency of Investments and Innovations, Ukrainian Center for Foreign Investment Promotion, European Bank for Reconstruction and Development (EBRD), the World Bank, International Monetary Fund (IMF), the UNDP, etc. Many Ukrainian NGOs and associations also cooperate with the Chamber and its Committees on a regular basis. The UN Global Compact Network continues to be part of the Chamber's activity together with its CSR Committee.

Considering the relevance and importance of the recent developments in the global financial markets as well as the specificities of the Ukrainian internal political and economic situation, the Chamber hosted special sessions, created a new corner on its official website, organized interviews and monitored closely all relative developments inside and outside Ukraine to provide insights to the Membership through in-

depth discussions of many important issues with market insiders, analysts, international and local experts, etc. Throughout the year, when the IMF missions were in Ukraine working on fulfillment of a special Program to support the Ukrainian economy, the Chamber was pleased to host a very special meetings inviting Ms. Ceyla Pazarbasioglu, Head of the IMF Mission, Mr. Max Alier, IMF Resident Representative in Ukraine, Mr. Andre Kuusvek, Director, Ukraine – European Bank for Reconstruction and Development, Mr. Martin Raiser, Country Director for Ukraine, Belarus and Moldova, Europe and Central Asia Region, the World Bank, to discuss the global financial crisis' implication on the Ukrainian economy.

In 2009 the Chamber continued to serve as a reliable, respected and important information partner of many major strategic investment forums, conferences and seminars aiming to improve the image of Ukraine and promoting investment opportunities, and addressing key issues in the sphere of economic development and trade. Examples include, but are not limited to: the III Annual Forum on Corporate Law; International Forum "Invest in Kharkiv"; a series of the Adam Smith Conferences (Ukraine Banking Forum, the 2nd Annual Ukrainian Pharmaceutical Forum, Ukrainian Investment Summit "The Leading Ukrainian Investment Gathering Worldwide", "Strategies for Effective Corporate Leadership in Turbulent Times", the 2nd Annual Ukrainian Insurance Forum); the Economist 2009 Emerging Markets Summit; the FT 2009 Investing in Ukrainian Telecoms Conference; the Second International Conference "Inputs' Market: the Key Development Driver of Agrarian Sector"; the "Agribusiness in Ukraine" Congress; the CIS Real Estate Investment Summit; the V Ukrainian Legal Forum "Legal Services Development in Ukraine"; the CIS Real Estate Investment Summit; "The Reform of the Pension System in Ukraine"; "Black Sea Region: Bread Basket of the

World"; Executive Practice Conference "Achieving M&A Benefits through Complete Due Diligence Procedures"; the 2nd Annual International Conference "Ukrainian Investor Meetings 2009"; the III International Conference "Corporate Social Responsibility – Global Challenges and National Solutions"; Round Table on Energy Maintenance of the Companies: Not Only by Gas?; and many more. For this type of work, as well as other initiatives throughout the year, the Chamber successfully engaged many partner organizations including, but not limited to: Ukrainian League of Industrialists and Entrepreneurs, Ukraine National Committee of the International Chamber of Commerce, Fund of Effective Governance, Yalta European Strategy (YES), Ukrainian Packaging Association, Ukrainian Beer Association, Internet Association of Ukraine, Association of Innovative Pharmaceutical Producers, etc.

The Chamber is an active member of the International Trade Club. This non-profit organization is based in Kyiv and is organized with the assistance of the Ministry of Economy of Ukraine. The Trade Club consists of representatives of more than 60 countries. This year the Chamber together with many of our affiliated Embassies visited Mykolaiv, Odessa, Cherkasy, Zhytomyr oblasts, and Sevastopol. During these trips the Chamber used these opportunities to meet and establish relationships with key State Regional administration officials, who presented their regions and informed the delegation on investment opportunities, as well as updated participants on many initiatives, projects and policy work maintained by the Chamber. Also, the Chamber met with representatives of different enterprises that have already established good relations with foreign partners and with those who are looking for attracting additional foreign investments. All materials and information are available at the Chamber administrative offices.

Partnership for Successfully Competing in the Global Economy

"Partnership for Successfully Competing in the Global Economy" is a special new analytical working product of the American Chamber of Commerce in Ukraine (Chamber) developed in conjunction with the Chamber Board of Directors, Committees and Working Groups together with numerous respected analysts and experts with the primary goal to join key policy makers and the private sector in building a strong and competitive Ukrainian economy that will help to navigate the current financial turbulence and ensure that Ukraine is well positioned when economic recovery and growth trends begin again.

2009 brought Ukraine many important challenges related to the global financial crisis. As an organization that strives to be a reliable partner for the Ukrainian Government in the sphere of investment and economic policy the Chamber together with its Board of Directors and internationally oriented Member companies, who are leaders in different industry sectors, spent the last year and the beginning of this one - when the crisis was still in its first stages in Ukraine but already acute in Europe and North America – applying its knowledge and expertise to examine what the options are for addressing the crisis in Ukraine, identifying which sectors are critical for the Ukrainian economy, and creating effective tools to address the pressing issues.

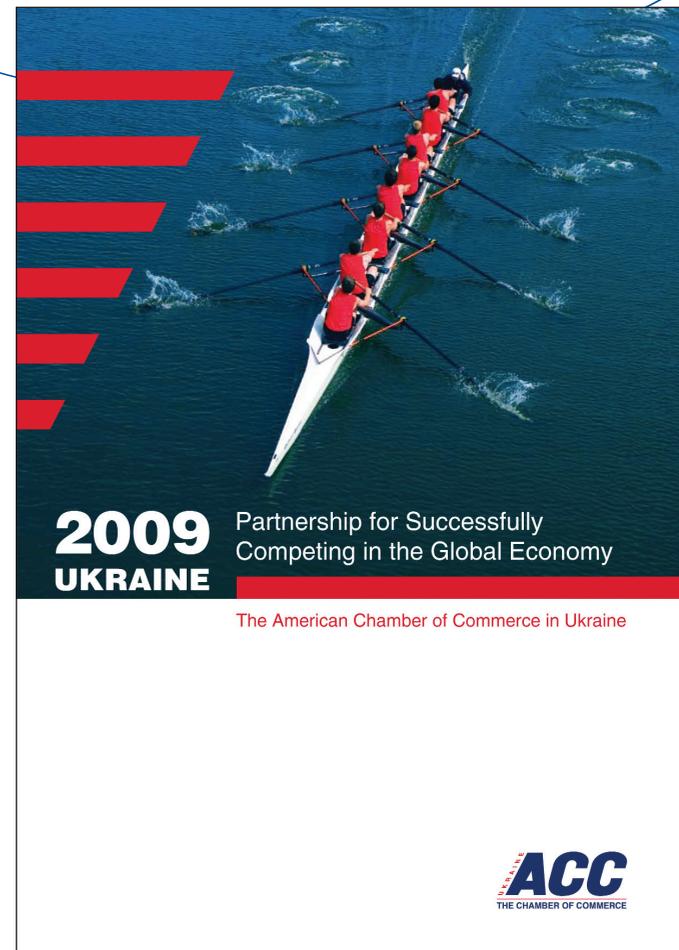
The Competitiveness Partnership Project proposes an innovative approach designed to bring key policy makers and the

private sector together to implement a comprehensive program of regulatory and legislative reform to assist in this time of crisis and ensure that Ukraine is competitive in the future when global growth resumes.

In the Chamber's new Competitiveness Partnership Project with the Ukrainian Government our Member companies, Committees, and Working Groups focus their collaboration with both the executive and legislative branches of the Government and with other respected Ukrainian institutions to implement targeted regulatory and legislative reform to ensure Ukraine is competitive in the increasing intertwined global marketplace.

Jointly with the Ukrainian Government, the Chamber is willing to implement the actions this report discusses. To do so, the Chamber works through the many venues in which it participates: the Foreign Investment Advisory Council of the President of Ukraine, the Investors Council of the Cabinet of Ministers, the Public Councils of the Ministries and State Committees, the Expert Councils of the Parliamentary Committees, and new venues as they develop. **The Chamber conducts regular reviews of the Partnership with the Ukrainian Government at the macro, sector, and micro levels.**

The Chamber targeted **seven key sectors** for the commencement of this Partnership and selected indicators to measure Ukraine's progress in achieving competitiveness in them.



These sectors are:

1. Agriculture;
2. Banking and financial services;
3. Fast-moving consumer goods (FMCG) and retail;
4. Commercial real estate and construction;
5. Telecommunications;
6. Fuel and energy; and
7. Travel and tourism.

Partnership for Successfully Competing in the Global Economy

New sectors or industries are in consultation with the Chamber Membership and the Government of Ukraine.

The Partnership's objective is not simply to analyze the barriers and obstacles for businesses and investors in Ukraine and the difficulties that the Government of Ukraine must confront during the reform process. Rather, this Partnership requires an action-oriented, structured program that directly engages the Government of Ukraine — and one that will be continuously updated.

This program is available for use by the Government of Ukraine, the Chamber, its Members, independent think tanks, NGOs, and other interested parties to present positive changes and reforms in Ukraine, to stimulate a dialogue between the public and private sectors on national development strategies, and to monitor the status of reforms.

The Partnership Project report is available to interested stakeholders in hard copy as well as in electronic format in both English and Ukrainian on the Chamber web-site (www.chamber.ua).

The Chamber thanks Booz Allen Hamilton, our Strategic Design Partner, for helping to develop this program for the Competitiveness Partnership. The Chamber also appreciates the hard work of the many Chamber Committees and Working Groups as well as individual Members (to name only few — DTZ, Calyon Bank, Citibank, Coca Cola, KPMG, and Shell) for providing input for the development of the text and action plans.

The Chamber is in the continuous process of increasing partners' and allies' network, getting feedback from appropriate specialists, and monitoring success of the specific tasks. To name only few names of those who support and



Mrs. Inna Pidluska, Executive Director, Yalta European Strategy (YES); Mr. Andrei Lobatch, Senior Project Manager, Foundation for Effective Governance

work together with the Chamber: Mr. Bohdan Danylyshyn, Minister of Economy of Ukraine; Mr. Yuriy Poluneev, Peoples' Deputy and the Head of the Council on Competitiveness of Ukraine; Ms. Ksenia Lyapina, Peoples' Deputy, Deputy Head of the Parliamentary Committee on Industrial and Regulatory Policy and Entrepreneurship; Mrs. Oleksandra Kuzhel, Head of the State Committee on Regulatory Policy and Entrepreneurship; Mr. Sergiy Tigipko, ex Co-Chair of the Investors Council of the Cabinet of Ministers; Mr. Borys Tarasyuk, Head of the Parliamentary Committee on European Integration, and many others. The network of partner organizations, which include leading Ukrainian industry sector associations, is growing on a regular basis.

When members of the Chamber's Board of Directors, President, Co-Chairs of the Committees and the Chamber Policy Team participate and speak at variety of events held in and outside Ukraine, prepare analysis and give interviews, meet with potential investors, etc., the Partnership is always highlighted in the media and covered appropriately.

Starting from the second part of 2009 the Chamber and its Members have received positive acknowledgements from the Ukrainian State authorities (executive and legislation branches) and have worked closely with appropriate Govern-



Chamber Round Table "Increasing the Competitiveness of Ukraine: Partnership between Government and Business": Mrs. Oleksandra Kuzhel, Head of The State Committee on Regulatory Policy and Entrepreneurship; Mr. Yuriy Poluneev, Peoples' Deputy and the Head of the Council on Competitiveness of Ukraine; Mr. Jorge Zukoski, President of the Chamber; Mr. Boris Krasnyansky, PricewaterhouseCoopers; Mr. Sergiy Tigipko, Co-Chair of the Investors Council of the Cabinet of Ministers

Partnership For Successfully Competing In The Global Economy

mental institutions analyzing and discussing the Partnership's plans and proposals.

After the World Economic Forum (WEF) released in September 2009 the Global Competitiveness Report 2009–2010, where Ukraine found itself significantly worse in its ranking position moving from 72nd to 82nd out of 133 countries, the Chamber addressed the political leadership including the President, Prime Minister, and Speaker of Parliament with a request to unite efforts to improve Ukraine's competi-

tiveness. The Chamber also confirmed its readiness for an active dialogue and cooperation in different sectors and areas of the Ukrainian economy ensuring that the 2010–2011 WEF rankings are improved.

Based on the Chamber's request, the **Cabinet of Ministers issued the Order on September 24, 2009 to implement the proposals of the Chamber as set forth in the "Partnership for Successfully Competing in the Global Economy"** including requests to the Ministry of Economy and central bodies of executive power (State Tax Administration, State Customs Service, etc.) asking to work on the issues outlined in the Chamber's letter.

On October 1st, 2009 Chamber's "Partnership for Successfully Competing in the Global Economy" was submitted for consideration of the President of Ukraine. In a private conversation the President of Ukraine Victor Yushchenko thanked the Chamber for development of the comprehensive document, noted its high quality and asked for cooperation with the Economic Department of the Secretariat in order to facilitate implementation of the policy agenda indicated in the Competitiveness Report.

Mr. Volodymyr Lytvyn, speaker of the Parliament reacted to the Chamber's letter by sending a request on October 5th, 2009 to the Parliament Committee on Economic Policy to work with the Chamber on improvement of the sectors of the Ukrainian economy indicated in the Chamber's letter.

Ministry of Economy of Ukraine in its Letter from October 5th, 2009 highly appreciated the Chamber's active position asking to continue cooperation with the Ministry and focus on increasing of the goods market efficiency and competitiveness of the national products.

The State Communication Administration (part of the Ministry of Transport and Communication) approached the Chamber regarding the legislation in the sphere of telecommunications. Based on this request the Chamber Policy Team and Chamber Telecommunication Committee worked with the State Communication Administration on improving of the following legislation:



Mr. Thomas Eymond-Laritz, President, Victor Pinchuk Foundation

1. Law "On Telecommunications," dated November 18, 2003.
2. Law "On Radiofrequency Resource," dated June 1, 2000.

The State Tax Administration and Ministry of Finance informed the Chamber on October 6, 2009 that proposition stated in the Chamber's "Ten Tax Initiatives" to make Ukraine a more competitive tax jurisdiction are under consideration of the relevant specialists. The Public Councils of the Ministry of Finance and State Tax Administration are engaged in a dialogue regarding implementation of the Ten Tax Initiatives of the Partnership.

In November, 2009 the **six month update** of the Partnership was released. The document contains updated reports on the Fuel and Energy section, Taxation, and the IT & Telecommunication sections. The Update is available in electronic format on the Chamber web-site (www.chamber.ua).



Mrs. Ksenia Lyapina, Peoples' Deputy, Deputy Head of the Parliamentarian Committee on Industrial and Regulatory Policy and Entrepreneurship

Chamber Committees and Working Groups: Advocacy and Policy tools to successfully lobby for positive changes strengthening Ukraine's competitiveness

The Chamber Committees and Working Groups

The Committees and Working Groups of the American Chamber of Commerce in Ukraine (Chamber) enable Member organizations to address pressing industry and sector specific policy related issues to all levels of appropriate Ukrainian State authorities including but not limited to the Parliamentarian Committees, Cabinet of Ministers and individual ministries, city and regional administrations, etc.

The Chamber Committees are standing and many of which have been active for many years. On the other hand, the Chamber Membership utilizes Working Groups to focus on specific issues and bring together Members who are experts on that issue to develop and execute an action plan to resolve the problem and then disband. This structure is very effective in resolving specific issues in a short period of time.



In 2009 fifteen Committees, six Working Groups, the Overseas Security Advisory Council and the Toastmasters Club have been successfully operating under the Chamber's umbrella bringing together industry leaders and sector specific company experts to develop and create advocacy and lobbying strategies to positively, proactively and effectively impact issues of interest to the Chamber Membership.

The Chamber Committees and Working Groups address pressing issues that will positively impact the business environment in Ukraine from many different sectors of the economy, including, but not limited to:

- Agricultural Committee
- Banking and Financial Services Committee
- Corporate Social Responsibility Committee
- Customs Committee
- Fuel and Energy Committee
- Healthcare Committee
- HR Committee (Human Resources)
- IPR Committee (Intellectual Property Rights)
- IT Committee (Information Technologies)
- Legal Committee
- PR Committee
- Real Estate Committee
- Tax Committee
- Telecom Committee
- Travel and Tourism Committee

Overseas Security Advisory Council (OSAC)

- Business Management Education and Training Working Group
- Working Group on Certification and Standardization
- Working Group on Illegal Corporate Raidering
- Working Group on Joint Stock Companies
- Working Group on Waste Packaging Management
- Working Group on Seeds
- Working Group on GMO Regulation

The Chamber Toastmasters Club

Co-Chairs:

Oleg Samus, Suntrade S.E. / Bunge Ukraine
Peter Thomson, Ukrainian Agrarian Investments LLC

Agricultural Committee

Mission of the Agricultural Committee of the American Chamber of Commerce in Ukraine (Chamber) is to support and promote the development of a market-based agricultural sector as a significant contributor to the overall success of Ukraine's economy.

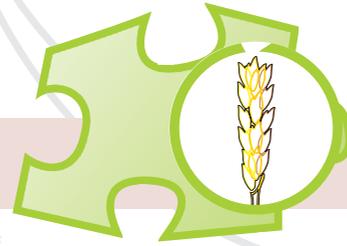


During Chamber Business Breakfasts Chamber Members who are market leaders in the agricultural industry discuss challenges and opportunities the industry faces

The Chamber Agricultural Committee is a forum to address issues within the Ukrainian agricultural industry, open to all interested Members of the Chamber. The Committee's main goal includes developing the Ukrainian agricultural sector through positive interaction with relevant policy-makers and other stakeholders. The Chamber is a Member of the Public Council of the Ministry of Agrarian Policy.

Examples of the major issues that the Chamber Agricultural Committee was actively involved in include, but are not limited to:

- VAT administration and general administration — important for the agricultural sector's development and necessary for the Government to finally identify the best way to manage the tax, based on the best international practices (possibility to modify the rate as well as to change the subsidies' maintenance for farmers in Ukraine); Committee members actively supported all the Chamber's initiatives, its positions stated to the Cabinet of Ministers and letters issued by the Chamber, and the Chamber leadership speeches at the Investors Council of the Cabinet of Ministers and at the Foreign Investment Advisory Council of the President of Ukraine.
- Land reform — a broad issue but very important for future progress: completion of the World Bank project to issue certificates, infrastructure creation and development, adoption of the hugely important drafts, i.e. Law on the Land Cadastre and Law on the Land Market to be able to talk about cancelation of the agricultural land moratorium.
- Overall simplification of the permit issuing system — a regular dialogue was held with the State Committee on Regulatory Policy and Entrepreneurship of Ukraine and as a result the Cabinet of Ministers issued appropriate piece of legislation introducing certain significant simplifications.
- Administrative regulations, i.e. attempts to interfere the prices, price inspections, export restrictions — this year



brought several attempts by the Government to implement price control policies. The Chamber together with interested Members maintained a regular dialogue with the decision makers explaining the harmful consequences and a need to discuss such initiatives with appropriate groups of market players ensuring the stability and avoidance of the possible critical shortage and supply delays.

In 2009, the Chamber Agricultural Committee held meetings with representatives of the private sector, experts and Government officials including but not limited to:

- Special "Market Leaders Breakfast", which gathered CEOs from the private sector, Mr. Richard Steffens, Commercial Attaché and Head of the Foreign Commercial Service of the U.S. Embassy and his colleagues, representatives of the Ministry of Agrarian Policy of Ukraine to discuss challenges and opportunities for the agricultural sector in the current turbulent times.
- President of the Chamber Mr. Jorge Zukoski met with Minister of Agrarian Policy of Ukraine Melnyk. During the meeting an agreement was reached to create a special Working Group under the Chamber's Agricultural Committee to work on preparation of proposals, which will be included into the Concept of Agrarian Sector Development.
- Meeting of the Working Group on the Concept of the Agrarian Sector Development — to discuss the preparation of proposals for the Concept of Agrarian Sector Development in the following spheres: taxation of the agrarian sector; financing; cattle breeding; grain; oilseeds; land relations (land market); new equipment; technical requirements; genetically modified organisms, as well as issues focusing on input suppliers and providers of fertilizers, chemicals, seeds, etc.



Co-Chairs:

Jacques Mounier, Calyon Bank Ukraine
Volodymyr Bobko, Aon Limited Representative Office

Secretary:

Svetlana Dehtyar, Citibank Ukraine

Banking and Financial Services Committee



The Chamber Banking and Financial Services Committee has identified its mission to be an active participant in the development of the Ukrainian banking system and promotion of high quality banking standards and values. The Committee supports and develops initiatives of the Ukrainian Government and local banking associations towards establishment of local banking environment harmonized with best international banking practices.

*Chamber Banking
Market Leaders
Breakfasts brought
together leading CEOs
to discuss market situ-
ation and address the
needs of international
banking community*



The Chamber is a Member of the Public Council of the Ministry of Finance of Ukraine and participates in those meetings regularly.

Major issues addressed in 2009 by the Chamber Banking and Financial Services Committee includes but is not limited to; monetary and currency policy, development of the stock market, anti-money laundering (AML) issues, improving of regulatory framework in regards to independence of regulators.

The following legislation and regulations were developed and discussed by the Committee members:

Draft Law #3583 "On Derivatives" – Chamber experts analyzed the Draft and undertook a constructive dialogue within the Committee, agreed to return the Draft to the State Securities and Stock Market Commission, and then cooperated with the Commission on necessary amendments. The proposed Chamber amendments had already been agreed with the Commission and sent to the Parliament Committee on Finance and Banking as a joint position. The Chamber also issued bi-lingual **Investor's Posi-**

tion electronic publication dedicated to that issue and disseminated it among the target audience's representatives.

NBU Resolution #49, allowing banks to restructure loans, was supported by the Chamber Committee.

Draft Law #4254 "On Amendments to Certain Laws of Ukraine Regarding Protection of the Insurance Market of Ukraine from the Consequences of the World Financial Crisis" – this anti-crisis bill is intended for solution of the whole range of the paramount problems, settlement of which is to create conditions for stabilizing of the situation in the field and to make basis for realization of the way out of the crisis. The Chamber Committee supported that Draft Law, proposing certain amendments.

NBU Resolutions #107 and #109 – the Chamber Banking and Financial Services Committee came to a conclusion that the Chamber Committee cannot support NBU Resolutions #107 and #109 as a new proposed approach on the limits on currency positions would introduce additional risks to the banks' commitments in foreign currency, which would consequently reduce the attractiveness for investments within the Ukrainian banking system.

Tax treatment of distressed unsecured consumer bank loans – it was decided that the best possible way to move forward is to incorporate necessary amendments into the Draft Law #3585, developed by MP Yuriy Poluneev.

Law #1617-VI "On Amendments to Certain Laws Regarding Peculiarities of Measures for Financial Recovery of Banks" – the document was developed by the World Bank and IMF. It provides necessary tools for resolution of issues with banks, facilitates restructuring of banks, streamlines responsibilities of temporary

administration, facilitates liquidation procedures of banks. The Chamber Committee worked closely with the World Bank and International Monetary Fund to include into the Draft Law necessary for banks taxation instruments for distressed assets.

Draft NBU Regulation #189, which contains certain changes in merger legislation – the Chamber Committee submitted its proposals to the Document to the NBU.

NBU Resolution #416 related to forwards – the Chamber Committee developed its position regarding forwards regulation and submitted it to the NBU.

In 2009, the Chamber Banking and Financial Services Committee held important meetings with representatives of the private sector, experts and Government officials including, but not limited to:

- **Working meeting with Mr. Mykola Burmaka, Co-Chair of the Corporate Governance Working Group of Investors Council under the Cabinet of Ministers, Member of Securities and Stock Market State Commission.** The following topics were discussed: necessity to amend the Law "On Securities and Stock Market" and draft appropriate Securities and Stock Market State Commission regulations; necessity to amend the Law "On National Depository System and Peculiarities of Electronic Flow of Securities in Ukraine" and draft appropriate Securities and Stock Market State Commission regulations;
- **Meeting with Mr. Oleksiy Tarasenko, Member of Securities and Stock Market State Commission** to discuss procedure of the Draft Derivatives Law passing and adoption;
- **Chamber's Banking Market Business Leaders Breakfast** to discuss challenges for the banks in the current turbulent environment and ways to address needs of the banking community;
- **Working meeting of the Chamber Board of Directors (Mr. Boris Krasnyansky, PricewaterhouseCoopers, Mr. Rob Shantz, KPMG, and Mr. Jacques Mounier, Calyon Bank Ukraine) and Chamber's Policy Team with Mr. Anatoliy Shapovalov, First Deputy Head of the National Bank of Ukraine (NBU)** as well as with Heads of the key departments of the NBU to discuss the Draft Law on Amendments to the Law on NBU, particularly provisions regarding independence of the regulator and necessity of harmonization of the draft document with international standards and best practices; facilitation of the dialogue between the Chamber Membership and the NBU.

Co-Chairs:

Sergey Yatsenko, Avis Ukraine
Timothy Pylate, Eurasia Foundation

Corporate Social Responsibility Committee



Mission of the Chamber Corporate Social Responsibility (CSR) Committee is to promote CSR principles among domestic and international business community in Ukraine through upholding best CSR business practices, sharing and learning information among the Chamber Members, building effective partnership and coordinating activities with variety of international organizations and agencies operating in Ukraine and worldwide, as well as civil society organizations in support of CSR development goals, raising public awareness in Ukraine.

Among the major topics raised and discussed by the CSR Committee Members in 2009 were the following:

Discussions and best practices sharing presentations related to the corporate social responsibility sphere: research reflecting the current development processes within the CSR community in Ukraine, as well as critically important issues connected with the establishment of the Children Onco-hematology Clinic; the latest explorations on current challenges, opportunities and further evolution of the socially responsible companies in Ukraine, covered in the presentation "CSR Development in Ukraine during the Last Year and Future Perspectives" by Ms. Maryna Saprykina, Executive Director of Centre for CSR Development; the problem of children oncology in Ukraine reflected in the presentation "Let's Give

a Chance to Kids with Blood Cancer" by Ms. Olena Matsibokh, All-Ukrainian Charity Organization "Krona".

Samples of the successful models of cooperation between the non-profit organizations and multinationals in the field of CSR:

- Presentation on "CSR Partnership" provided jointly by Ms. Alexa J. Milanytch, Country Director, Children of Chernobyl Relief and Development Fund, and Ms. Olga Royenko, Executive External Relations, Philip Morris Ukraine. Both speakers provided a bright example of the successful cooperation between a non-profit organization and international company.
- "Everyone has the Right to Work" project presentation, aimed at providing worthy future employment of the orphaned children in Ukraine, introducing innovative initiatives that promote broad access to employment for vulnerable youth, enhance public employment services and foster public-private partnerships that create job opportunities, presented by the Chamber CSR Committee Co-Chair, Mr. Timothy Pylate, Eurasia Foundation.
- The Chamber supported the initiative of partner organizations, Centre for CSR Development in cooperation with the United Nations Industrial Development Organization (UNIDO) and State Committee for Regulatory Policy and Entrepreneurship, launching a new Project "Establishing a regional SME network for corporate social responsibility in Central, South and Eastern Europe."



In 2009, the Chamber CSR Committee hosted several meetings with representatives of the private sector, public experts, and Government officials including, but not limited to:

Meeting with Mr. Alexander Vinnikov, President of the Ukrainian Law Advancement Network, who outlined key aspects of the taxation policy of CSR-related activities, displayed in the presentation "New Tax Code: Incentives for Corporate Donors in Ukraine."

Meeting with Mr. John Weiser, co-founder and partner of Brody, Weiser & Burns devoted to Corporate Community Involvement (CCI), displayed in the presentation "Corporate Citizenship and Corporate Community Engagement" that touched on the CCI sense in the Ukrainian context.



Meeting with Mr. Dmytro Voloshyn, associate consultant to the People's Deputy Mr. Bohdan Gubskiy, co-author of the document devoted to the Draft Law #5073 "On Financial Support of the Orphaned Children and Children Deprived of Parental Care" which aims to increase financial support for orphans and children deprived of parental care, in particular to improve the financial situation, education, to create appropriate conditions of social adaptation in Ukraine.

Co-Chairs:

Mr. Vadim Sidoruk, DHL

Mr. Igor Dankov, PricewaterhouseCoopers

Secretary:

Ms. Svetlana Polevaya, UPS

Customs Committee

Mission of the Chamber Customs Committee is to contribute to development of the customs legislation that would be simple, modern, adaptable, realistic and tangible, and to develop a professional Forum for discussion of the customs issues. Priorities include work on the following issues: customs value; selected classification and origin issues; customs post-entry audits and appeal procedure; declaration of goods to customs; modernization of customs regimes; customs payments (including refunds); authorized economic operators.



*Mr. Anatoliy Makarenko,
Head of the State Customs Service of Ukraine*

The Chamber is a Member of the Public Council of the State Customs Service and participates in those meetings regularly.

Examples of the major issues that the Committee actively discussed, worked on and addressed to the State partners include the following, but are not limited to:

Royalty: the Chamber maintained a dialogue with the State Customs Service of Ukraine regarding clarifying the procedure of the customs treatment of royalties, addressed the Cabinet of Ministers of Ukraine (CMU) with a copy on the Ministry of Finance, and the Ministry of Justice with the recommendations and suggestions on the issue.

The Draft Customs Code: the Chamber Customs Committee monitors consideration of the Document by the Parliament and submits comments to the Draft Customs Code.

Taxation and duties on shipments with the value under 100 Euro (Letter of the State Customs Service N11/1-10.15/3198-EP explaining legal grounds to maintain appropriate procedures). The Chamber addressed the issue by sending immediate letters to the State Customs Service, Ministry of Finance, Prime Minister and Investors Council. Very shortly the requirement was abolished.

Temporary 13% import duty: Ukraine introduced the temporary import 13% surcharge as a protectionism measure initially for the 6 month period, which was ended at the beginning of September 2009. The Chamber had been actively lobbying against the introduction of additional import duties since the ill-conceived concept was put forth by certain political forces. The Chamber Customs Committee in conjunction with many Member companies who represent different industry sectors, expressed support for the Government's decision that canceled the 13% import duty on many categories of goods and, at the same time, reminding that several industry sub-sectors, which currently continue to be under the 13% temporary import duty, are also waiting for a similar decision and business is looking forward to the final decision from both the Cabinet of Ministers (CMU) and Parliament removing unwarranted extra duties on automobiles and refrigerators.

Customs clearance for transparent legitimately operating companies has been simplified (White Lists): after the successful advocacy campaign by the Chamber Customs Committee, interested Members and our partners, the State Customs Service of Ukraine, introduced a new streamlined customs procedure called White Lists. "White Lists" provide simplified procedures during customs clearance and control for honest companies which meet the required criteria, operate transparently and have an excellent reputation. The

Chamber, as an organization representing legitimately operating companies in Ukraine, supports and is actively lobbying for the development and implementation of White Lists in Ukraine.

Export Declaration: Cabinet of Ministers of Ukraine (CMU) Resolution #767 dated July 24, 2009 requiring providing an export declaration for checking the value of goods at the Customs. Members of the Customs Committee developed a letter to the CMU, a copy to Entrepreneur's Council, explaining the situation and asking to withdraw the provision of the Resolution or make it non-obligatory. The Chamber's letter had an immediate response from the Governmental authorities, particularly from the National Security and Defense Council of Ukraine (NSDCU). The mentioned institution held its meeting entitled "Ukraine Is a Transitional Country" where an issue of export declaration was one of the main. On September 30, 2009 the Chamber received from the Entrepreneurs Council of the Cabinet of Ministers of Ukraine (CMU) information that the CMU during its regular meeting made a decision to amend the recently adopted Resolution #767, dated July 24, 2009 "On Changes to Some Resolutions of the CMU Regarding Submitting of the Customs Declaration from the Country of Export", which cancel the export declaration as obligatory document.

Methodology of the cost calculations related to the customs clearance procedures: Co-Chair of the Chamber Customs Committee Mr. Igor Dankov (PwC) developed comments to the Draft Order "On Amendments to Methodological Recommendations on Application of Certain Provisions of the Customs Code of Ukraine on Customs Value Determination of Goods, Imported into the Customs Territory of Ukraine" aimed to improve the procedure of royalties' treatment which were sent to the State Customs Committee of Ukraine.

In 2009, the Chamber Customs Committee held important meetings with representatives of the private sector, experts and Government officials including, but not limited to:

- **Mr. Vitaly Naumenko**, Head of the Customs Value Department of the State Customs Service of Ukraine;
- **Mrs. Kateryna Shelepova**, Deputy Head of the Department of the State Customs Service of Ukraine;
- **Mr. Anatoliy Makarenko**, the newly appointed Head of the State Customs Service of Ukraine;
- **Mr. Yaroslav Prokopenko**, Head of the Department of the Control and Audit of the State Customs Service of Ukraine;
- **Round Table** hosted by the State Customs Service of Ukraine on the rules of determination of enterprises for simplifying procedures during the customs clearance and for the customs control.

Co-Chairs:

Mr. Sergiy Lizunov, TNK-BP Commerce
Mr. Oleksiy Tatarenko, Shell Ukraine

Fuel and Energy Committee

The Chamber Fuel and Energy Committee has been formally established only a year and a half ago and it is among the youngest policy groups of the Chamber. Both oil and gas companies operating in this area as well as other interested Chamber Member companies participate in the Membership based Fuel and Energy Committee with the idea to promote further development and modernization of Ukraine's energy sector by attracting investment, in support of the vision of a more energy self-reliant Ukraine.

In 2009, the Chamber Fuel and Energy Committee hosted several interesting meetings with representatives of private sector and Government officials including, but not limited to:

- Meeting with **Mr. Oleksandr Melnychenko**, the acting Head of the Antimonopoly Committee of Ukraine (AMCU), devoted to the discussion of investigations and analyzing gaps in Ukrainian antimonopoly legislation, goals of the AMCU.
- Meeting with **Mr. Oleksandr Fedorenko**, Head of the Department on Investigation in Fuel and Energy Sector,



Committee Meeting with Mr. Oleksandr Fedorenko, Head of the Department on Investigation in Fuel and Energy Sector, AMCU



AMCU devoted to the investigations and policies regarding fuel & energy markets. Mr. Fedorenko promised to consider and implement measures proposed by the Chamber Fuel and Energy Committee, which should make Ukrainian antimonopoly regulation more transparent.

- Meeting with representatives of the **State Geological Service** devoted to the discussion of the legislative amendments, proposed by the Chamber.
- Meeting with **Mr. Sergiy Titenko**, First Deputy Head of the Parliament Committee on Fuel and Energy Complex, Nuclear Policy and Nuclear Safety devoted to the discussion of the Chamber legislative amendments.
- Working meeting with **Mr. Anatoliy Seminoga**, Head of the VR Committee on Environmental Policy, Use of Natural Resources and Elimination of Consequences of Chornobyl Disaster devoted to the discussion of the Chamber's work on the amendments to the Subsoil Code.

Examples of the major issues that the Chamber Committee was actively involved in include, but are not limited to:

Downstream sector of the industry – harmonization of the import-export quality: elimination of discriminating export duty for liquefied gas; harmonization of the fuel market with EU / international standards: quality control system, adequate antitrust approaches; secure economic stimuli for refine-

ries modernization; introduction of the transparent tariffs setting on services of natural monopolies' bodies.

Upstream sector of the industry – improvement of licensing process and resumption of licensing rounds (tenders, auctions); raising the PSA legislation to globally competitive standards; level playing field and liberalization of oil and gas markets in Ukraine; other issues related to acceptable economic conditions; cancellation of the quota for import of seamless steel casing and tubing.



Members of the Chamber Fuel and Energy Committee maintained a dialogue aimed to unify different pieces of legislation and improve licensing procedures. The whole package of the new legislative framework was submitted to the leadership of the Fuel and Energy Committee of Verkhovna Rada and discussed with appropriate Ukrainian State officials. The Committee leadership also met with Mr. Anatoliy Seminoga, Head of the VR Committee on Environmental Policy, Use of Natural Resources and Elimination of Consequences of Chornobyl Disaster. The meeting was devoted to the discussion of amendments to the Subsoil Code, and as a result the Chamber was assured that the Parliament would consider the Chamber's position during its work on the Draft.

Co-Chairs:

Vladislav Strashnyy, Pfizer Ukraine
Borys Danevych, Paritet Law Firm

Secretary:

Arkadiy Lytvak, Pfizer Ukraine

Healthcare Committee

Mission of the Chamber Healthcare Committee is to improve Ukraine's business environment in the pharmaceutical field, exchange of relevant and timely information, organizing discussions and taking joint actions aimed at promoting commercial interests of Member pharmaceutical companies.



Mr. Petro Verbytskyi, Head of the State Committee for Veterinary Medicine of Ukraine (SCVMU)

The Chamber is a Member of the Public Council of the Healthcare Ministry and participates in those meetings regularly.

Examples of the major issues that the Chamber Committee actively discussed, worked on and addressed to the State partners include, but are not limited to:

Price Regulation — Cabinet of Ministers of Ukraine (CMU) Regulation #955. The Chamber contributed to the suspension of the mentioned document and cooperated with many Ukrainian State partners to find a balanced decision to this important issue.

State control on imported pharmaceuticals — provisions of CMU Resolution #902 "On Procedure of State Control over Quality of Medical Imported Products", which contains series of issues needed to be resolved as they were harming the investment climate and harmonization with international best practices.

Norms regarding VAT on samples of investigational drugs — these norms discouraged potential investors.

Draft Law of Ukraine "On Amendments to the Article 12 of the Law of Ukraine on Medical Drugs on Adding Braille Labeling for Packages" — providing that starting from January 1, 2010 all healthcare products should already be labeled. The Chamber Healthcare Committee compared existing practices in Europe and prepared a joint position with reasonable proposals for amending the law, terms, and mechanisms of transitions. One of the main arguments for postponing the implementation of the Draft Law till January 1, 2012 was that the time limits in that case would be producer-friendly and manageable.

Law #3426 "On Moratorium on Increase of Prices and Tariffs on Pharmaceuticals and Medical Products" raised a serious concern among the Chamber Healthcare Committee Members, Chamber Membership and the entire professional community. Using its advocacy and lobbying channels the Chamber proactively advocated for a successful veto.



In 2009, the Chamber Healthcare Committee hosted several interesting meetings with representatives of partner organizations and international experts including, but not limited to:

- **Meeting of the Ministry of Healthcare Public Council** at which the Chamber Policy Team was present. Among the issues discussed by the Council Members was the Draft Law "On Legal Basis of the Healthcare Policy in Ukraine" submitted by the Ministry of Healthcare of Ukraine on July 12, 2008.
- **Meeting with the State Committee for Regulatory Policy and Entrepreneurship** dedicated to the problematic issues of the pharmaceutical market, namely: state registration (re-registration) of pharmaceuticals, pricing of pharmaceuticals and medical products, etc.
- **Meetings of the Verkhovna Rada Healthcare Committee** devoted to the discussion of the Ministry of Healthcare's proposed package of regulatory initiatives regarding the process of registration of pharmaceuticals. The Chamber Healthcare Committee analyzed legislative proposals and came to the conclusion that such proposals would further complicate the regulatory sphere and provide additional opportunities for corruption within the regulators instead of providing additional clarity and transparency to the process. The Chamber Healthcare Committee's position was stated in its official Letters to the President, Prime Minister, Ministry of Healthcare, and the Verkhovna Rada Healthcare Committee.
- During meetings of the **Verkhovna Rada Healthcare Committee**, participants underlined main problems that arise from the activities of the State Medical Inspection since it had not been functioning properly over several months as it attempted to overtake some powers of existing regulatory bodies, for example the State Pharmacological Center. Chamber Healthcare Committee members took part in the preparation of the position expressed to the Verkhovna Rada Healthcare Committee that was presented to the Prime Minister of Ukraine.
- The **"Remuneration Survey — Pharmaceutical Market of Ukraine"** presentation was conducted by the Hudson Global Resources during one of the regular Committee meetings.

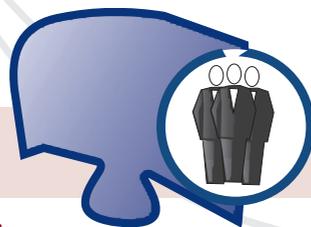
Co-Chairs:

Innessa Krivosheya, Citibank (Ukraine)
Lidiya Nadych-Petrenko, JT International

Secretary:

Valeria Kazadarova, Kelly Services Ukraine

Human Resources Committee



The Chamber Human Resources (HR) Committee continued to accomplish its Mission of sharing experience, knowledge and skills with other HR professionals; promoting professional development of Members through exposure to new knowledge, skills and information resulting in the enrichment of the personnel function within Member's respective organizations and increasing awareness of HR throughout the Chamber Membership.

Examples of the major issues that the Chamber Committee actively discussed, worked on and addressed to the State partners include, but are not limited to:

Adjusting Ukraine's labor indexes in the World Bank ratings — Chamber HR Committee Members (Ms. Valeria Kazadarova, Kelly Services, Ms. Alyona Kozlova, Shell Exploration) actively participated in the Working Group on Employing Workers, created under the Ministry of Labor and Social Policy of Ukraine, aiming to improve Ukraine's position in the World Bank's ratings ("Doing Business"). Among issues discussed were difficulty of hiring index and rigidity of hours index. The Working Group members maintained appropriate work on amending legislation regulating term agreements, as well as on the problem related to the Employing Workers complexity.

Developing Draft Labor Code of Ukraine — Chamber HR Committee Members were actively involved in the development of the Draft Labor Code approved by the Parliament in the first reading on May 20, 2008. The document was considered by Chamber HR specialists as a compromise version of all the current regulations of the labor relations. Overall, the Draft Labor Code is not directed at the employers' rights protection considering the conservative position of the organized labor. The consolidated position of the Chamber HR Committee Membership is to continue monitoring the situation around the Draft Labor Code and to submit appropriate amendments aiming to improve the document after it is finally adopted.

Educational Project "HR University" — Chamber Human Resources Committee leadership together with the HR Department of the Kyiv National Economic University (KNEU) developed an educational program "HR University" for future specialists in the field of personnel management. Lectures, containing theoretical and applied parts, are read by leading HR practitioners from the Chamber com-

munity. The Project provides an opportunity for current students in the field of Human Resources to get trained in the field of personnel management, tailored to the needs of today's business and, in collaboration with the Graduate School, will help develop a staff management training program, corresponding to the new economic realities, making graduates in demand at the labor market.

Entry and Stay Procedures for foreign citizens employed in the representative offices in Ukraine and foreign employees' family members — the Chamber HR Committee has been and continues to be actively involved into solving the problem of long-term stay in Ukraine of the foreign employees of representative offices and the family members of foreigners legally working in Ukraine. In the light of functioning of the newly established State Frontier Service of Ukraine's database containing information on exit/entry of foreigners, serious gaps of the national legislation regulating the stay pro-



Chamber HR Committee met with Government officials devoted to the discussion of the exit/entrance and employee registration procedures for foreigners

cedures and status of the named categories of foreign citizens were determined. Considering certain ambiguities that require legal resolution, the Chamber HR Committee developed a position with recommendations and a draft Cabinet of Ministers of Ukraine (CMU) resolution to rectify outstanding issues that were addressed to appropriate Ukrainian ministries. Several Open HR Committee meetings were organized by the Chamber aiming to hear official positions of all responsible State bodies in regards to the issue and to finally close the current legislative gaps. The Chamber maintains a continuous dialogue with the Ministry of the Interior and works for the passage of comprehensive and well developed exit/entry procedures for the named categories of foreign citizens.

The Chamber HR Committee also held a special Knowledge Seminar within the framework of the Chamber's "Competitiveness of the Ukrainian Economy" series. This particular event was dedicated to the topic of the "Successful HR Assessment Implementing Practices" and organized jointly with the Chamber Member companies TZ Partners and SunInbev.

In 2009, the Chamber HR Committee held important meetings with representatives of the private sector, experts and Government officials including, but not limited to:

- **Mr. Yaroslav Vyshnya**, Head of the Department on Control and Regulations of Foreign Economic Activities, Ministry of Economy of Ukraine;
- **Mr. Oleksiy Maksymenko**, Head of the Department for Work with the Foreign Representatives, Ministry of Economy of Ukraine;
- **Mr. Oleksandr Koblosh**, Chief Specialist of the Legal Department of Foreign Economic, Ministry of Economy of Ukraine;
- **Ms. Nina Myekhova**, Chief Specialist of the Department of Employment Regulations, Ministry of Labor and Social Policy of Ukraine;
- **Mr. Ilyia Dovzhenko**, Head of the Inspection on Control of Employment of Population of the State Employment Center, Ministry of Labor and Social Policy of Ukraine;
- **Mr. Oleg Rybyskiy**, Deputy Head of the Department of Constitutional and Administrative Law, Ministry of Justice of Ukraine;
- **Mr. Serhiy Onoprienko**, Deputy Head of the Department on Registration and Passport Control, State Frontier Service of Ukraine;
- **Mr. Ihor Sviridov**, Deputy Head of the Department of Immigration Work and Illegal Migration Contraction, Ministry of the Interior of Ukraine;
- **Mr. Andriy Olefirov**, Head of the Department of Consular and Legal Issues, Ministry of Foreign Affairs of Ukraine.

Co-Chairs:

Ruslan Drobyazko, Baker & McKenzie
Taras Kyslyy, Magisters

Intellectual Property Rights Committee



Mission of the Chamber Intellectual Property Rights (IPR) Committee is to advocate on behalf of the Chamber Members to provide appropriate IPR protection practices in Ukraine.



Chamber "In-Focus" Meeting with Ukrainian State Authorities on Intellectual Property Rights (IPR) Protection: Mr. Oleksiy Gashickiy, State Customs Service of Ukraine; Mr. Serhiy Lebid, Ministry of Interior Affairs of Ukraine; Mr. Valentyn Chebotarev, Ministry of Education and Science of Ukraine; Mr. Jorge Zukoski, the Chamber

The Chamber is a Member of the Public Council of the State Department of the Intellectual Property Rights of the Ministry of Science and Education of Ukraine and participates in those meetings regularly.

In 2009, the Chamber IPR Committee held important meetings with representatives of the private sector, experts and Government officials including, but not limited to:

- **Mr. Valentyn Chebotarev**, Deputy Head of the State Department of Intellectual Property Rights of the Ministry of Education and Science of Ukraine;

- **Mr. Serhiy Lebid**, Deputy Head of the Department on Fighting of Organized Crime of the Ministry of Interior Affairs of Ukraine;
- **Mr. Oleksiy Gashickiy**, Head of the Department on Intellectual Rights Protection of the Trade Policy Affairs Department, State Customs Service of Ukraine;
- **Mr. Serhiy Stephanovskiy**, Vice-Chairman of the Antimonopoly Committee of Ukraine (AMCU);



Mr. Taras Kyslyy, Magisters, Chamber IPR Committee Co-Chair; Mr. Serhiy Stephanovskiy, Vice-Chairman of the Antimonopoly Committee of Ukraine (AMCU), the State Commissioner of the AMCU; Mr. Ruslan Drobyazko, Baker&McKenzie and Chamber IPR Committee Co-Chair



- Joint Meeting of the Chamber IPR, Information Technologies (IT) and Healthcare Committees devoted to the discussion of the common problems regarding implementation of the intellectual property rights practices in Ukraine.

Examples of the major issues that the Chamber IPR Committee actively discussed, worked on and addressed to the State partners include, but are not limited to:

Current changes in the IPR sphere in Ukraine, importance of a regular cooperation with the rights' owners; appropriate law enforcement practices by the Ukrainian State authorities for the violations in the IPR area — all of the mentioned factors continue to raise concerns of the industry sectors' representatives as well as of lawyers and service providers of these companies. These issues also constrain the R&D development in Ukraine.

State inspectors on the IPR and their activity — ineffectiveness of their work is in limitation of their rights and only formal nature of their requests and actions, as they have no control over the law enforcement authorities.

A so-called **"gray and parallel import"** issue creates problems and obstacles for many legally operating companies in Ukraine.

Co-Chairs:

Oleksandr Oriekhov, Microsoft Ukraine, LLC
Vlad Zhovtenko, WorldAPP, Inc.

Information Technologies Committee

Mission of the Chamber Information Technologies (IT) Committee is to improve the environment for the further development of a sustainable and well-regulated Information Technologies market in Ukraine.

The Chamber IT Committee works in close cooperation with the Chamber Telecommunication Committee pursuing mutual goals such as creation of a necessary environment for efficient development of the Information and Communication (ICT) sector.

The Chamber is a Member of the Public Council of the State Committee of Informatization and participates in those meetings regularly.

In 2009, the Chamber IT Committee held important meetings with representatives of the private sector, experts and State officials including, but not limited to:

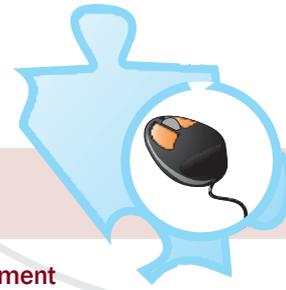
- Meeting with **Mr. Vitaliy Balyuk**, Deputy Head of the State Committee on Informatization, discussing preparation and realization of the State policy on implementing open source software by the governmental institutions.
- Discussion of the Draft Law "On Personal Data Protection."
- Meeting with **Mr. Oleksandr Baranov**, Member of Consultative Council on IT Development of the Parliament, co-author of the Draft Law "On Personal Data Protection."



- Meeting with **Mr. Ihor Zhylyayev**, Deputy Head of the Committee on Science and Education of the Parliament, co-author of the Draft Law "On Personal Data Protection."
- Meeting with **Ms. Tatiana Popova**, President of the Internet Association of Ukraine.
- Meeting with **Mr. Yaroslav Pavlovsky**, Leading Expert of the Institute of Information Society, advisor to the People's Deputy Mr. Oleh Shevchuk, Submitter of the Draft Law to the Parliament.

Among the other important topics discussed by the Chamber IT Committee Members were the following: further "Electronic Government" development; development of the Information Society in Ukraine; implementation of the electronic document flow and the use of electronic signature; the EU Directive on the protection of individuals with regard to the processing of personal data and on the free movement of such data (95/46/EC) and the EU Directive on privacy and electronic communications (2002/58/EC); necessity to amend the IT related education practices to better adopt the education programs for business needs.

During the fall of 2009 the Chamber IT Committee together with the partners representing the **Public Council of the State Committee on Informatization** as well as the Chamber Telecom Committee was involved in preparation and publication of the Guidelines for the presidential candidates **"On Urgent Measures for Information Society Development in Ukraine"**. The Guidelines are the result of the joint intelligent efforts of the members of the Public Council, which includes 24 specialized associations representing the ICT sector, leading experts, professionals and public figures. For the third time already the business community joined to attract attention of the Ukrainian politicians to the problems of ICT / Telecom sector.



The document provides a general overview of the Information Society in Ukraine, of the information technology and telecommunication sectors' development, a detailed analysis of laws, gaps in the regulatory framework needed to be addressed, recommendations regarding practical steps necessary to be taken to ensure a further stable development of the Information Society of Ukraine. The Program of urgent measures is aimed at increasing the level of education, health services, functioning of e-government, and many others. The aim of introduction and implementation of new technologies at the State level is to eliminate bureaucracy, reducing corruption and improving the overall competitiveness of Ukraine in the international arena. Authors stressed that successful implementation of the Guidelines would be possible only if political will exists, leadership of the political forces understands its necessity and acts in coordination.



The Guidelines became a part of the Chamber's fall 2009 Update of the **"Partnership for Successfully Competing in the Global Economy"**, a special new analytical working product launched on by the Chamber in 2009 and developed in conjunction with the Chamber Board of Directors, Committees and Working Groups and other numerous respected analysts and experts with the primary goal to join key policy makers and the private sector in building a strong and competitive Ukrainian economy that will help to navigate the current financial turbulence and ensure that Ukraine is well positioned when economic recovery and growth trends resume again.

Co-Chairs:

Olexander Martynenko, CMS Cameron McKenna LLC
Olena Shcherbyna, Sayenko Kharenko

Legal Committee

The Chamber Legal Committee was created with the Mission to be a forum for professional exchange among attorneys from law firms and corporate entities. Members of the Committee represent a broad spectrum of legal professionals. One of the Committee's main activities is to work in conjunction with other Chamber Committees when they need to address issues with specific legal ramifications.



Chamber "In-Focus" Meeting with Mr. Petro Martinenko and Mr. Ivan Tymchenko, Former Judges of the Constitutional Court of Ukraine

The Chamber is a Member of the Public Council of the Ministry of Justice, and participates in those meetings regularly.

In 2009, the Chamber Legal Committee held meetings with representatives of the private sector, professional experts, and Government officials including, but not limited to:

- **Meeting at the Expert Council under the Securities and Stock Market State Commission** devoted to the discussion of certain aspects of the Joint Stock Company Law, which needs to be amended.
- **Joint Chamber Legal and Chamber Real Estate Committees meeting** devoted to the discussion of the new Law



No. 800-VI "On Tackling the Impact of the World's Financial Crisis on the Development of the Construction Sector and Residential Construction."

- Meeting with **Mr. Petro Martinenko**, Former Judge of the Constitutional Court of Ukraine.
- Meeting with **Mr. Ivan Tymchenko**, Former Head of the Constitutional Court of Ukraine.
- Meeting with **Mr. Volodymyr Vysotskiy**, Head of the Higher Qualification Commission of Lawyers, Cabinet of Ministers of Ukraine.

Examples of the major issues that the Chamber Legal Committee actively addressed include, but are not limited to:

Procedure of bankruptcy — members of the Chamber Legal Committee volunteered to participate in the Working Group on procedure of bankruptcy under the Ministry of Economy.



Joint Stock Company Law — the next key points of the Law's amendment, which the Chamber is working on include:

- Elaboration of the Regulations of the Securities and Stock Market State Commission;
- Elaboration of Clarifications of the Securities and Stock Market State Commission;
- Elaboration of Amendments to the Law of Ukraine "On Joint Stock Company Law".

Draft Law "On Bar" — Committee Members studied a new version of the Law proposed by the Ukrainian Bar Association and then created Committee's position regarding the issue.

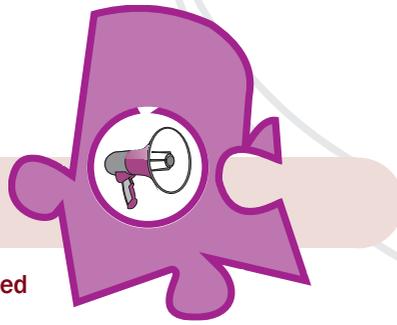
Amendments to the Civil Code on the Public Procurement issue — the Chamber received positive feedback from the Parliament Committee on Judicial Policy on its recommendations to the Civil Code provided by Mr. Maksym Sysoev, Paritet Law Firm and continues its active dialogue with the Ukrainian State authorities on the issue ensuring that the solid piece of legislation is adopted by the Parliament.

It was also agreed by the Committee members to resume activity of the Chamber's Joint Stock Companies Working Group as well as to initiate a Sub-Working Group on Institutes of Mutual Investments under the Chamber's JSC Working Group.

Co-Chairs:

Alexandra Afanasieva, NJSIC ORANTA
Natalya Popovych, PRP Ukraine

PR Committee



PR Committee is a new Chamber initiative. It was created as a platform for professional discussion of the issues, important for the industry, and promotion of high ethical and professional standards in Ukraine. Mission of the PR Committee is to develop the Chamber into an effective platform for the Ukrainian PR professionals to facilitate the exchange of experience, professional development and communication within Ukrainian PR community in line with the ethical standards and in partnership with the leading Association of PR professionals in Ukraine — Ukrainian Association of Public Relations (UAPR).

In 2009, the Chamber PR Committee held meetings with representatives of the private sector, professional experts, and Government officials including, but not limited to:

- Working meeting with **People's Deputy Mr. Andriy Shevchenko** devoted to the amendments to the Law "On Information", particularly to the discussion of the legal aspects of comments given by companies to TV channels.
- Participation in and providing information support to the **IV European PR Congress** held in October in Kyiv.



The Chamber PR Round Table "Successful Public Relations in Turbulent Times: Approaches, Instruments and Results"



Chamber Open PR Committee Meeting as a Part of the IV European PR Congress



Chamber PR Committee Meeting with Mr. Colin Byrne, Weber Shandwick CEO, UK & Europe

Examples of the certain events and topics that the Chamber PR Committee actively discussed include but are not limited to:

- **Round Table "PR in Turbulent Times: Approaches, Instruments, Results to Succeed"** held to discuss challenges which the industry faced.
- **Presentation on "Intricacies of Internal Communications in Times of Change"** prepared by experts Ms. Yaryna Lukan, Erste Bank; Ms. Ganna Vasyk, JT International Company Ukraine; Mr. Gennadiy Radchenko, Nestle Ukraine, who shared feedback and practical issues of launching Corporate TV as well as internal web-sites and publications.
- **Presentation on "Implementation of the Green Marketing Practices"** highlighted by Ms. Marichka Kucherenko, Galnaftogas; Ms. Anna Tarantsova, Tetrapak; Ms. Diana Bazilyak, Volya; and Ms. Natalya Popovych, PRP Ukraine who talked about main steps on the way to introduction of the Green Office (waste paper and plastic recycling, saving of the municipal resources and informational campaign, involvement of people into the environmental saving projects), and international Green Marketing trends.

Co-Chairs:

Timur Bondaryev, Arzinger & Partners
Natalia Stelmakh, DTZ

Secretary:

Olena Brodovska, CMS Cameron McKenna LLC

Real Estate Committee

The Chamber Real Estate Committee sees its goals and objectives in the following:

information and experience sharing between the Chamber Members involved in the real estate sphere; cooperation between corresponding legislative and executive bodies with the objective to introduce necessary amendments into Ukrainian legislation which in turn will promote the real estate development in the country, reduction of the bureaucratic obstacles involved in real estate transactions, transparency in real estate transactions, facilitation of foreign investment in Ukrainian real estate development projects, availability of long term financing for the real estate projects.

The Chamber is a Member of the Public Council of the Ministry of Regional Development and Construction and participates in those meetings regularly.

In 2009, the Chamber Real Estate Committee held meetings with representatives of the private sector, professional experts, and Government officials including, but not limited to:

- Working meeting with **Mrs. Oleksandra Kuzhel**, Head of the State Committee for Regulatory Policy and

Entrepreneurship, **Mr. Sergiy Tigipko**, Co-Chairman of the Investors' Council under the Cabinet of Ministers of Ukraine and representatives of the State Committee for Regulatory Policy's leadership. The meeting discussed plans of the anti-crisis measures that the State Committee proposed to implement in the nearest future providing changes to those regulations, which do not require actions of the Parliament. The draft list of measures included proposals on



improving of the permit system of Ukraine and the permit system in the sphere of construction in particular.

- **Joint Chamber Legal and Real Estate Committees meeting** discussing a new Law #800-VI "On Tackling the Impact of the World's Financial Crisis on the Development of the Construction Sector and Residential Construction."
- Meeting with the management of the **Bureau of Technical Inventory (BTI)** in Kyiv and the UkrFinance collection company representatives (Mr. Christian Schuller, CEO, and Mr. Andrey Nyzhnyk, Head of Sales and Clients Relations) discussing practical issues on registering ownership rights for unfinished construction objects and operations of the collection companies in Ukraine.

Examples of the certain events and topics that the Committee actively discussed include, but are not limited to: rights' registration practice on unfinished construction; non-performing loans, legal and taxation issues of repossession, repossession and management of properties by banks; practical issues on registering ownership rights for unfinished construction objects in Kyiv.



Co-Chairs:

Pavlo Myronov, KPMG

Oleh Marchenko, Magister

Tax Committee



The Chamber Tax Committee envisages its primary goal in the promotion of reform and improved application of the taxation system in Ukraine, recognizing that a predictable, equitable and effective tax system is a significant factor both in general facilitation of business and in positive development of the economy of Ukraine and facilitation of information-sharing on tax issues within the Membership.



Chamber Knowledge Series Seminar "Tax and Customs Audits"

The Chamber is a Member of the Public Councils of the State Tax Administration (STA) and the Ministry of Finance and participates in those meetings regularly.

In 2009, the Chamber Tax Committee members participated at the meetings with representatives of the private sector, professional experts, and Government officials including but not limited to meetings with:

- Mr. Yuriy Gladun, Head of International Relations Department of STA;
- Mr. Yuriy Lapshyn, Head of the VAT Department of STA;
- Mr. Leonid Rubanenko, Head of Association of Tax Consultants;
- Mr. Viktor Pynzenyk, ex-Minister of Finance;
- Mr. Mykola Azarov, Head of the Parliamentarian Committee on Finance and Banking.

Examples of the certain events and topics that the Committee actively discussed include, but not limited to:

Tax treatment of foreign exchange gains and losses – as an option to resolve taxation issues, amendments to the Law "On Corporate Profit Tax" were proposed.

VAT Administration – specifically sub-clause 6.5 (r) of the VAT Law in the context of rendering training/seminar services abroad, according to which place of services provision is the place where services are really provided on cultural, artistic, sport, scientific, educational, entertainment or similar to them services.

VAT related questions – Cabinet of Ministers of Ukraine (CMU) Resolutions #757-p and #838-p – after an intensive lobbying effort by the Chamber Policy Team, interested Members, and partner organizations, President Viktor Yushchenko terminated item 2 of the CMU Resolution #757-p "On Certain Issues of Taxes, Duties (Obligatory Payments) Administration" and Resolution #838-p "On Settlement of Certain Issues Regarding Administration of Value Added Tax" and sent an inquiry to the Constitutional Court on the issue.

Regulation #1120-p "On Certain Issues on the Administration of the Value Added Tax" – according to the document the tax authorities have the right to cancel registration of the taxpayers according to the Law of Ukraine "On VAT." The Chamber addressed the CMU on Regulation #1120-p.

CPT Administration – the CMU Resolution #895: President Viktor Yushchenko canceled the Resolution of the Cabinet of Ministers of Ukraine #895 on "Regulation of Some Issues of the Corporate Profit Tax Administration (CPT)" by his Order which violated the Constitution of Ukraine.

Draft CMU Resolution "On Amendments to the Order of Foreign Investments State Registration". The Chamber Policy Team presented the letter and recommendations to the Ministry of Economy of Ukraine regarding the Draft CMU Resolution that brings high risk to foreign investors.

Methodological recommendations for the State Tax Service regarding breaking up of tax avoidance schemes and creation of evidence base in cases on collecting of funds received under void contracts.

Regulation of the CMU that prohibited the utilization of prior year losses in 2009 – despite the fact, the document was revoked, the Regulation had a negative impact on a number of businesses, especially in the crisis times, and the legal basis for this Regulation was questionable. From the business stand point not only the norms, which the Government tried to implement via this Resolution, were harmful, but the way of amending business related regulations is unacceptable. The Draft of this Resolution has never been published, moreover after approving the Resolution the CMU did not publish it officially, but sent a telegram to local tax authorities with the request to implement the new regulation. Tax Committee Members agreed that both the domestic and foreign business community need more stable regulation of utilization of prior year losses, thus the Chamber will develop a position paper regarding the issue.

Inclusion of royalties into customs value of imported goods – customs authorities launched an active campaign together with the Tax Administration on defining the companies who are importers by concentrating on the ten (10) biggest companies which pay royalties and checking whether they include royalty into customs value of goods or not. In case of violation, customs authority has the right to apply penalties. As the methodology and payment of royalties are uncertain, importers can define it using price lists or draw guarantee commitments.

The Chamber Tax Committee prepared the "Ten Tax Initiatives", which is an integrated part of the Chamber's "Partnership for Successfully Competing in the Global Economy", a special analytical working product launched by the Chamber in 2009 and developed in conjunction with the Chamber Board of Directors, Committees and Working Groups, as well as other numerous respected analysts and experts with the primary goal to join key policy makers and the private sector in building a strong and competitive Ukrainian economy that will help to navigate the current financial turbulence and ensure that Ukraine is well positioned when economic recovery and growth trends resumes again.

Co-Chairs:

Oleg Yakymchuk, Telenor
Mark Burden, UMC

Telecom Committee

The Chamber Telecom Committee's Mission is lobbying interests of the Chamber Member companies operating in the Ukrainian telecom industry by providing the most efficient solution to the various challenges faced by its Members. The Committee works in close conjunction with other Chamber Committees to pursue mutual goals that stimulate creation of a necessary environment for efficient development of the telecommunications sector in Ukraine.

The Chamber is a Member of the Public Council of the State Committee of Informatization and participates in those meetings regularly.

In 2009, the Chamber Telecom Committee held meetings with representatives of the private sector, professional experts, and Government officials including, but not limited to:

- Meeting with **Mr. Oleksandr Melnychenko, the Acting Head of the Antimonopoly Committee of Ukraine** discussing the current situation with implementation of antimonopoly legislation, particularly in telecommunication sphere and in the energy sector, the progress achieved by the Antimonopoly Committee and plans for 2009; policy and activity of the National Commission on Communication Regulation and interaction between NCCR and AMCU.
- " Meeting with **Mr. Yuriy Solovyev, Head of the Council of "Telas" Association** discussing the current situation in the Information & Communication Technology market and trends for the future; radiofrequency conversion, 3G licensing, issues of Universal Services Fund, privatization of Ukrtelecom.
- Meeting with **Ms. Tetyana Popova, Head of the Ukrainian Internet Association (UIA)** dedicated to the issues of the Information and Communication Technologies (ICT) and problems which domestic and international Chamber Members faced in the sphere, as well as to discussion of the "Orange Report" previously developed by the UIA to cover issues in the ICT sector for the President of Ukraine.

Examples of the major issues that the Committee was actively involved in include, but are not limited to:

A Universal Services Fund — the Draft Laws #3460 and #3461"- On Amendments to the Law on Telecommunications" — the idea was defined as one which might increase the tax burden on the telecom operators.

The Draft Law #3683 "On Amendments to Some Laws on Provision of Access to Universal Telecommunications Services" — the Chamber Telecom Committee advocated against the Draft and welcomed its declining as a positive movement for the entire industry.

3G Licensing — the Chamber Telecom Committee discussed and monitored all related developments to the topic on a regular basis.

A "Zero Tariff" issue continued to raise attention since the majority of mobile operators were not in favor to introduce changes in their tariff plans as well as advertisements. Telecom Committee Members continue to monitor the situation and maintain a dialogue with appropriate Ukrainian State authorities.

The Chamber Telecom Committee also serves as a platform to provide interesting and useful information to all interested parties. The following presentations were held in 2009: **"Overview of**



Mobile Broadband Networks" including a short history and drivers for the Long Term Evolution (LTE) Standardization; current status of LTE operators and expected commercial scenarios (by Ericsson) and Presentation **"Telecommunications Predictions TMT Trends 2009"** (by Deloitte).

During the fall of 2009 the Chamber Telecom Committee together with the partners representing the **Public Council of the State Committee on Informatization** as well as the Chamber IT Committee were involved in preparation and publication of the Guidelines for the presidential candidates **"On Urgent Measures for Information Society Development in Ukraine"**. The Guidelines are the result of the joint intelligent efforts of the members of the Public Council, which includes 24 specialized associations representing the ICT sector, leading experts, professionals and public figures. For the third time already the business community joined to attract attention of the Ukrainian politicians to the problems of ICT / Telecom sector.

The document provides a general overview of the Information Society in Ukraine, the situation in regards to the information technology and telecommunication sectors' development, a detailed analysis of laws, gaps in the regulatory framework needed to be addressed, recommendations regarding practical steps needed to be taken to ensure the further stable development of the Information Society of Ukraine. The Program of urgent measures is aimed at increasing the level of education, health services, functioning of e-government, and many others. The aim of introduction and implementation of new technologies at the State level is to eliminate bureaucracy, reducing corruption and improving the overall competitiveness of Ukraine in the international arena. Authors stressed that successful implementation of the Guidelines would be possible only if political will exists, leadership of the political forces understands its necessity and acts in coordination.

The Guidelines will be part of the Chamber Fall 2009 Update of the **"Partnership for Successfully Competing in the Global Economy"**: a special new analytical working product launched on April 23rd, 2009 by the Chamber and developed in conjunction with the Chamber Board of Directors, Committees and Working Groups in conjunction with numerous respected analysts and experts with the primary goal to join key policy makers and the private sector in building a strong and competitive Ukrainian economy that will help to navigate the current financial turbulence and ensure that Ukraine is well positioned when economic recovery and growth trends begin again.

Co-Chairs:

Valeria Lyuk, Sky Travel BTI Ukraine
Alexandra Plakhota, Premier Palace Hotel

Secretary:

Nickolay Omelchenko, Save Travel d/b/a KievApartment.com



Travel and Tourism Committee

The Chamber Travel and Tourism Committee was created with the Mission to encourage participation of the Chamber Members in an organized policy initiative to promote travel and tourism related issues in Ukraine.



The Inaugural Meeting of the Chamber Travel Club

The Travel and Tourism Committee's goals and objectives include an increase of Ukraine's participation in international travel and tourism organizations and forums; promotion of the development of the Ukrainian business and leisure hospitality infrastructure; simplification of the bureaucratic requirements for foreigners to travel in Ukraine; increase the ready availability of international standard business facilities; promotion of Ukraine as a desirable destination for international holiday travelers; sharing knowledge and experience among Chamber Members involved in the travel and hospitality arenas.

The end of 2009 was marked by a new Project entitled the **Chamber Travel Club** whose main objectives is to form a new and innovative platform for the travel and tourism professionals from one side and for the Member companies, embassies, and partners from another side to maintain a regular dialogue, to expand business networking opportunities, to obtain new value-added and useful information in the sphere of travel and tourism.



The Overseas Security Advisory Council (OSAC)



Mission of the OSAC is to promote security cooperation between business and private sector interests worldwide.



Chamber Overseas Security Advisory Council (OSAC) Cyber Crime Security Awareness Briefing

Together with the US Embassy to Ukraine the Chamber is involved in the regular dissemination of useful and necessary information updates on the appropriate topics to all interested Member companies and partner organizations as well as embassies. There is a mailing list, which is open for the Membership as well as weekly "OSAC Tips of the Week" announcements in the Chamber Weekly Bulletins. The OSAC also held a special Seminar on the cyber crime security topic at the very end of 2009 where specialists from the overseas spoke with local experts on the related issues.

Working Groups

Business Management Education and Training Working Group

The Chamber Business Management Education and Training Working Group was created with the Mission to positively influence the working environment of educational and training organizations by clarifying issues and, when necessary, advocating for change. It serves as a bridge of understanding and cooperation between the business and education communities, raising awareness of the value of education and training, identifying key needs of business, and promoting cooperation and activities that satisfy those needs.

The Chamber Policy Team informed the Working Group Members about all related news, updates, and legislative changes on a regular basis.

One of the meetings of the Working Group was held together with the Ukrainian Association of Development of Management and Business Education. This organization consolidates 47 Ukrainian high schools and other market participants of business education. Guest speakers held a special Presentation "Is Earth Flat? Problems of Past, Present, and Future and Ukrainian Business Education", which covered the following topics: the system analysis of the situation in the Ukrainian educational market from the point of view of interaction between educational institutions and business.

Mr. Mikhail Krikunov, President of the Ukrainian Association for Management Development and Business Education discussed the Law "On Higher Education" with the Working Group Members.

Working Group on Certification and Standardization

Members of the Chamber Working Group on Certification and Standardization are involved into amending appropriate legislation through continuous cooperation with the Cabinet of Ministers on three of the Draft Laws covering such issues as standards, technical regulation and conformity assessment procedures, as well as general safety of products.

The Chamber Policy Team informed the Working Group Members about all related news, updates, and legislative changes on a regular basis.

Working Groups

Joint Stock Company (JSC) Working Group

Due to importance of the Joint Stock Company Law for Ukraine, its investment climate, especially for protecting current investors and attracting additional investments, the Chamber Policy Team assembled a special Joint Stock Company (JSC) Working Group several years ago. Members were working in many different directions to prepare the text, to advocate on main ideas to be included into the draft as well as to educate and popularize the idea of adopting modern joint stock company legislation in Ukraine. The Chamber's representatives regularly took part in the activities of the working group, established by the State Commission on Securities and Stock Market, to finalize the draft and agree with its many stakeholders.

The Chamber Policy Team informed the Working Group Members about all related news, updates, and legislative changes on a regular basis.

In 2009, the Chamber JSC Working Group continued its activities focused on elaboration of amendments needed to be approved for proper implementation of the Joint Stock Companies Law.



Illegal Corporate Raidering Working Group

The objective of the Chamber's Illegal Corporate Raider Attacks Working Group is to develop propositions for protection of property rights, including prevention of illegal corporate raider attacks and regulation of corporate conflict, that continue to be among essential problem areas in Ukraine. Corporate legislation in Ukraine has been developing without a unified strategic approach in the past. As a result, it tends to be fragmented, incomplete and, in some cases, contradictory in nature. Moreover, such corporate legislation creates obstacles for effective business activity and for attraction of needed investments. It also causes high transaction expenses for business operations.

The Chamber Policy Team was informing the Working Group Members about all related news, updates, and legislative changes on a regular basis.

Seeds Working Group

Members of the Seeds Working Group are involved into consideration of the Draft Law "On Amendments to the Law of Ukraine "On Seeds and Planting Stock" A properly drafted Seed Law is very important for all seed companies operating in Ukraine and enhancement of regulatory legal framework as well as introduction of new definitions to the Law shall fill the gap and improve the Seeds legal environment in general to facilitate the business growth and adhere to the international standards.

The WG engaged all interested Chamber Members, who are professionals in their respective fields, to contribute positively in the process of reviewing the draft legislation to ensure that the concerns of the legitimately operating business community are taken into account during the process of adoption.

The Chamber Policy Team was informing the Working Group Members about all related news, updates, and legislative changes on a regular basis.

Working Groups

Waste Packaging Management Working Group

Members of the Chamber Waste Packaging Working Group are working on amending of appropriate regulatory legislation through regular and continuous cooperation with the Cabinet of Ministers of Ukraine in regards to the three Draft Laws dealing with the system of collecting, sorting, transportation, recycling and utilization of waste as a secondary raw material. The main goal is to develop such waste packaging management system in Ukraine, which will be harmonized to the best international practices and will serve the interests of all sides involved in the process – Ukrainian private sector, population and Government.

The Chamber Policy Team was informing the Working Group Members about all related news, updates, and legislative changes on a regular basis.

In 2009, the Chamber Waste Packaging Management Working Group hosted meetings with representatives of the private sector, experts and Government officials devoted to the current situation in the waste packaging management sphere and amendments prepared by the Governmental structures. This year the Governmental activities and legislation in this sphere were in the center of the Chamber Working Group's lobbying initiatives and steps, as well as among topics of many meetings held by the Chamber.

Cabinet of Ministers of Ukraine and other Governmental institutions introduced changes to the legislation covering

implementation of the system of collecting, sorting, transportation, recycling and utilization of wastes as secondary raw materials, which the private sector considered as those, which only harm the situation and introduce the state monopoly of one State-owned company Ukrecocomresources.

After an intensive lobbying efforts by the Chamber Policy Team, many Members and partners at the Ukrainian Packaging-Ecological Coalition President Viktor Yushchenko stopped in September certain provisions of the appropriate Resolution of the Cabinet of Ministers. President of Ukraine also addressed the Prosecutor General with a request to check the legislation regarding its accordance to the Constitution and current acting legislation of Ukraine. The Chamber during this time maintained an active PR campaign together with industry-sector operators and partner associations explaining and educating the Ukrainian media and public on different aspects of the problem.

It is important for Ukraine to have a basic piece of legislation, which will provide a modern system of waste packaging utilization based on the best international and European practices. The Chamber will continue to push for the adoption of the Draft Law "On Waste and Waste Packaging" as an important piece of legislation, and was pleased to participate in the preparation for the first reading which passed with an overwhelming majority of votes in the Verkhovna Rada of Ukraine.

The Chamber Toastmasters Club

The Chamber Toastmasters Club conducts its regular meetings each week on Wednesday at 7:30PM at the office of the Chamber Member company Microsoft Ukraine.

Toastmasters Club is a great opportunity to improve English language presentation skills in a structured and supportive environment. Being able to present well, in front of large and small groups, is a key factor for future success along many career paths. The Chamber encourages everybody to check out the opportunity to further his/her career development with this effective tool that is available through the Chamber.



Working Group on GMO Regulation – Chamber New Initiative

Due to the importance of the issues in regards to human health and environmental safety as well as due to the influence that this issue has on the business climate the Policy Team of the American Chamber of Commerce assembled in 2009 a special Working Group on GMO Regulations.

The Working Group is comprised of interested Chamber Members who are professionals in their respective fields and can participate in discussion on GMO regulation from the short as well as from the long-term perspective and contribute positively to the process of preparing the position of the Chamber as well as further proposals to be submitted to the Government to establish legal and transparent rules for this sphere to ensure that the concerns of the legitimately operating business community are taken into account. The Chamber Policy Team is responsible for taking the recommendations and proposals developed by the Working Group forward and monitoring the process of implementation.

On May 31st, 2007 the Law of Ukraine "On the State Biosafety System for Developing, Testing, Transportation and Usage of Genetically Modified Organisms" was adopted by the Parliament. That was the first legal act in Ukraine that attempts to address issues around Genetically Modified Organisms (GMO) in national legislation making an important step towards the development and implementation of a comprehensive regulatory framework on commercial use of GMOs in Ukraine.

Currently Ukraine lacks legal normative acts that would provide further systematic approach in GMO handling that should be developed by the relevant state authorities in line with the Law on State Biosafety.

Chamber Networking & Social Activities

Business Networking

Captains of Industry Events

"Captains of Industry" was a term originally used in the United States during the Industrial Revolution describing a business leader whose means of amassing a personal fortune contributes positively to the country in some way. This may have been through increased productivity, expansion of markets, providing more jobs, or acts of philanthropy.

In 2009, the Chamber in conjunction with Chamber Member MTS was proud to organize another successful series of senior level Networking events entitled Captains of Industry. The Chamber organizes this popular event, during which the CEOs/senior managers of Chamber Member companies Network with other business leaders, diplomats, and special guests, just a few times a year. The event is always held in an interesting venue with a laid-back atmosphere, and includes delicious food and beverages and other surprises.

During the "Moving Forward" and "First Class Ticket for Networking" Captains of Industry events all Chamber Captains were invited to extraordinary venues for a great evening of Networking, during which they discussed strategies for successfully navigating the current challenges. Everyone was treated with exquisite wine, cold draft beer, and delicious food from Royal Catering Services.

In 2009, the American Chamber of Commerce in Ukraine jointly with Chamber Member InterContinental Kyiv was pleased to host another a senior level "Live the InterContinental Life with the Chamber", exclusive Networking event dedicated to the opening of the fabulous 5-star InterContinental Kyiv Hotel in the very heart of the Ukrainian capital. The InterContinental Kyiv's highly professional staff provided Chamber Members with a sneak peak of their beautiful new venue and ensured that all guests had a wonderful and unforgettable evening.

The Chamber looks forward to hosting next Captains of Industry events in 2010 and thanks our Primary Partner in 2009 – Member company MTS – without which the Captains of Industry events would not have been so successful.



Chamber Events – Introduction

Over the last years the American Chamber of Commerce in Ukraine (Chamber) has been working diligently to add value to the Membership by providing a wider variety of professionally executed events that serve as a platform for Business Networking. The Chamber's Events Team has been successful in keeping the number and quality of events in 2009 and looks forward to introduce new and innovative events that add value to the Membership in 2010 and beyond.



Chamber Networking & Social Activities

Business Networking

Business Networking Cocktails

The American Chamber of Commerce in Ukraine's Business Networking Cocktails are some of the most popular Chamber Networking offerings among the Membership. Networking Cocktails provide Chamber Members with an excellent opportunity to network and make new contacts among potential business partners in a relaxed atmosphere. These events are usually hosted by one of the Chamber Gourmet Club Restaurants who work hard to ensure that Chamber Members have a nice evening.

In 2009 the Chamber continued to introduce new and interesting topics for every Business Networking Cocktail, including: Chamber Traditional "Welcome Back" Networking Cocktails at Arizona BBQ; "St. Valentine's Day" at Swing Bar-Restaurant; "St. Patrick's Day" at O'Brien's Irish Pub; "Stress Awareness Day" at Monaco Restaurant; "Thanks Goodness It's Summer (TGIS)" at Truffle restaurant; "On the Rooftop" at the Bar on the Roof at Premier Palace Hotel; "Vanilla Ice Cream Day" at PANORAMA Restaurant; "Carib-



bean Boat Cruise"; "Wallpaper Day" at O'Brien's Irish Pub, "Get to know the Candidates" at O'Brien's Irish Pub.

The Chamber would like to thank the 2009 Chamber Business Networking Cocktail Sponsor Garboozon.com for ensuring successful and great Networking events!

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Silver Card Events

Chamber Silver Card Networking events are designed to unite middle and senior level management around issues of common interest at nice venues with value added and innovative opportunities. It is a wonderful opportunity to meet with peers and colleagues as Chamber members establish new and maintain old business contacts in the relaxing atmosphere of themed events.



The Chamber was pleased to invite Chamber COI & Silver Card Holders to enjoy a festive night reminiscent of the Spanish sea coast enjoying entertainment program full of passionate Spanish rhythms and the possibility to learn flamenco dance and master the skills in Spanish dancing for those interested. Flamenco dance was performed by a professional dancing band "Suspiro", a nominee in many of world championship cups. Especially for Silver & COI card holders the Chamber invited Marat Nudel, the winner of the TV-show "Tantsyuyu dlya tebe" ("Dancing for you").

All attendees had an excellent opportunity for Networking and making contacts while participating in the innovative interactive SMS lottery provided by our Partners of the event Pharos and Gray Matter Factory. The randomly chosen winner walked away with 2 round trip tickets to Spain, kindly provided by the Chamber Official Service Provider and Sponsor of the event Ukraine International Airlines (UIA).

Chamber Networking & Social Activities

Business Networking

Young Professional Network

In 2009 among its numerous Networking offerings the Chamber also organized two high-level special Chamber's Young Professional Network (YP-Net) events.

During summer time the Chamber in conjunction with Chamber Member NRB Development organized for all interested Members an exciting Foot Quest – Treasures of Pavlo Polubotok. The quest gathered players and their colleagues, friends and family members, who supported the teams throughout the game. All attendees enjoyed the beautiful landscapes of Pyrohovo while they searched out the treasures.



In October the Chamber was happy to invite employees of Chamber Member organizations to the traditional YP-Net Very Scary Halloween Party. Horror movies, jack-o-lanterns (carved pumpkins), costumes and the Chamber's Very Scary Punch made the Halloween atmosphere complete. Almost all guests created cool costumes and came out with their friends and colleagues to have fun, Network and win prizes participating in challenging contests and competitions.

Champions League Matches with the Chamber

In 2009 the Chamber showed the series of Champions League matches for all Chamber Members at Radisson SAS and Arizona BBQ. During the events all participants enjoyed exciting matches, cold draft Carlsberg beer as well as tasty treats. Also, when Dynamo scored goals all guests received a complimentary bottle of ice cold Carlsberg beer from Slavutich, Carlsberg Group.

The Chamber would like to thank the Partner of the events – Winner Automotive – Ford Motor Company for making these nights happen.



Chamber Marketing Club

The Chamber Marketing Club provides the best and brightest marketing minds in Ukraine an opportunity to Network and interact in a relaxed setting while enjoying targeted presentations designed to expand their skill set. The target audience is focused but not limited to marketing, PR, advertising and other similarly related spheres of activities. During the Chamber Marketing Club gatherings, all guests are surrounded by a sea of hip, smart and sophisticated marketing experts, enjoying the evening and making valuable contacts.

The American Chamber of Commerce in conjunction with Chamber Member Pulse held another successful and interactive Marketing Club meeting in February at Shooters Restaurant. This time around the event was devoted to the discussion on successful marketing strategies during the crisis. Speakers of the event shared with guests their vision on marketing living in the times of crisis and included: Mr. David Payne, Pulse; Ms. Anzelika Zorina, L'Oreal; Mr. Arnold Kremenchutsky, PSB Films; Mr. Andrew Kinsell, Perekhid Outdoor; Mr. Jim Phillipoff, Poverkhnost TV; Mr. Martyn Wickens, Pedersen & Partners. The event ended with a competition among the guests, who were asked to complete a short questionnaire, continuing well-known movie phrases and rewording them with a marketing angle.

English Language Movies Premieres

Chamber English Language Movie Premieres have been offered exclusively for Chamber Members, their families and friends. In 2009, Chamber Members and guests had an opportunity to watch global movie premieres in English, among which were: "Bedtime Stories", "Seven Pounds", "The Pink Panther 2", "Monsters vs. Aliens", "I Love You, Man", "Race to Witch Mountain", "Angels & Demons", "Terminator Salvation", "UP", Harry Potter and the Half-Blood Prince", "The Proposal", "District 9", "The Taking of Pelham 123", "The Ugly Truth", "2012", etc. The events gathered many Chamber families and friends who enjoyed a great evening at the movies as well as Networking in the informal atmosphere.



Chamber Networking & Social Activities

Social / Family and Team Building Events

Chamber 5th Annual Corporate Tennis Cup

The Chamber organized the 5th Annual Corporate Tennis Cup over one June weekend at the beautiful courts of Zhulyuany. The event gathered players and their colleagues, friends and family members, who supported the teams throughout the tournament. Despite the intense competition, a friendly and professional environment allowed players and fans to network and enjoy a sporting weekend together.

Some of the country's leading companies fielded amateur tennis teams who competed over two days for the right to claim the coveted Corporate Cup, as well as other great prizes.

This year the following companies participated in the tournament: *Astelit LLC, Deloitte, DenzaWorkspace, JSC Slavutych Brewery, JT International Company Ukraine, Leo Burnett Ukraine, MTS, Platinum Bank OJSC, PricewaterhouseCoopers, UkrSibbank.*

The winners of the 5th Annual Corporate Tennis Cup became:

1st place — Platinum Bank OJSC

2nd place — Astelit LLC

3rd place — DenzaWorkspace/Hewlett-Packard Trading SA, Representative Office in Ukraine

Best Male Player — Mr. Kostanezkiy Kyrylo (Astelit LLC)

Best Female Player — Ms. Tatiana Demchuk (UkrSibbank, Joint-Stock Commercial Innovation Bank (JSCIB UkrSibbank))



Football Tournaments

The Chamber has been organizing Chamber Football Tournaments for over seven years, which have become very popular events among the Membership. These highly competitive sporting events are excellent team building and Networking opportunities that have grown in size and popularity among Chamber Members bringing out the best the Membership has to offer. It is an exciting competition that highlights sportsmanship and enables employees of Member companies to show off their talents on the field while building teamwork and fostering healthy competition.

The Chamber was pleased to wrap up two weekends of its traditional Spring Indoor Football Tournament — **2009 Chamber Indoor Football Championship Cup.**

Chamber Networking & Social Activities

Social / Family and Team Building Events

Football Tournaments *(continued)*

The Tournament was of a great success with 18 teams participating. All the matches took place in the professional gym of NUFT (National University of Food Technology).

The participants of the Chamber Indoor Football Tournament were: *Winner Imports Ukraine, Coca-Cola Beverages Ukraine Limited, Ernst & Young, Shell Ukraine, Euro Leasing, Colgate-Palmolive Ukraine, Jones Lang LaSalle, US Embassy, PricewaterhouseCoopers, KPMG, Premier Palace Hotel, Alfa-Bank (Ukraine), GlaxoSmithKline, Mary Kay (Ukraine), Kraft Foods Ukraina, Sitronics IT (Kvazar-Micro), Clifford Chance, Maersk Ukraine.*

Winners of the 2009 Chamber Indoor Football Championship Cup were:

- 1st place** – Premier Palace Hotel
- 2nd place** – Coca-Cola Beverages Ukraine
- 3rd place** – Sitronics IT (Kvazar Micro)

The Tournament's referees also awarded winners in the following categories:

- Best Player** – Mr. Andriy Baidikov (Premier Palace Hotel)
- Best Goalkeeper** – Mr. Artyom Rempen (Premier Palace Hotel)
- Best Forward** – Mr. Oleksiy Zverkov (Coca-Cola Beverages Ukraine)
- Best Full Back** – Mr. Evgen Strutynskyy (Sitronics IT (Kvazar-Micro))



During the two weekends in September employees from Chamber Member companies had a nice opportunity to show off their football talents during the VIII Chamber Annual Football Tournament. This year 16 teams of Chamber Member Companies participated at the football field "Start" including: *American Machinery Company (AMACO), Coca-Cola Beverages Ukraine, Ernst & Young, Forum, KPMG, Kraft Foods Ukraina, Microsoft Ukraine, MURAVEJ, Trade Mark, Premier Palace Hotel, PricewaterhouseCoopers, Schneider Electric Ukraina, Shell Ukraine Exploration and Production I, Slavutich, Carlsberg Group, Syngenta, US Embassy, Winner Imports Ukraine.*

Winners of the VIII Annual Chamber Football Tournament were:

- 1st place** – 1 place – Coca-Cola Beverages Ukraine
- 2nd place** – Premier Palace Hotel
- 3rd place** – Shell Ukraine Exploration and Production I

According to the tournament's referees the following players received their prizes in the next categories:

- Best Player** – Mr. Dmytro Moroz (Coca-Cola Beverages Ukraine)
- Best Goalkeeper** – Mr. Serhiy Gromov (Winner Imports Ukraine)
- Best Forward** – Mr. Ehor Kasianenko (Premier Palace Hotel)
- Best Full Back** – Mr. Anatolii Gorupashchenko (Shell Ukraine Exploration and Production)

Chamber Networking & Social Activities

Social / Family and Team Building Events

V Chamber Paintball Tournament

The Chamber invited all interested Members, with their families and friends, to participate in the 2009 Chamber Paintball Tournament that was organized in cooperation with Chamber Member Gepard Paintball Club. All participants and their supporters enjoyed a wonderful sunny day outside playing paintball, playing table tennis, cooling off with an exciting game of water soccer, enjoying tasty snacks and cold beverages with the excitement of a fast action paintball tournament. All the teams exhibited good sportsmanship and were highly competitive having fun and building strong bonds among their teams and interacting with their colleagues from other Chamber Member companies.

Among the participants of the Chamber Paintball Tournament were the following Chamber Member companies: *Ernst & Young, Sayenko Kharenko, Microsoft Ukraine, Euro Leasing, AVIS, Deloitte., Leo Burnett Ukraine, Luxoft.*

The winners of the Tournament became:

1st place — Microsoft Ukraine, LLC

2nd place — Euro Leasing

3rd place — Sayenko Kharenko



Family Events

Family oriented events remain popular within the Chamber community gathering parents and kids who that lead an active lifestyle and enjoy spending time together.

During Easter holidays the Chamber invited employees of Member companies, their families and friends to join for family celebration with the Chamber — "Easter Egg Hunt". Beautiful weather as well as welcome drinks from Kureni Restaurant ended up being a nice treat for all guests, while the children played games and participated in an entertainment program complete with clowns. All kids received from the Chamber special Easter presents and the highlight of the event was the Easter Egg Hunt that was extremely popular with both adults and children.

Last year the Chamber also continued the tradition of providing the Membership with Weekend Family Events that are always innovative and fun. The Chamber hosted a walking tour through the center of Kyiv discovering interesting and off the beaten path treasures in Kyiv that many people do not get a chance to experience. All participants of the excursion had an opportunity to explore some hidden streets, new and unusual views, attractive sights, secret courtyards, unique elevators, the smallest churches, ravens and other unique hidden secrets of Kyiv.



Chamber Networking & Social Activities

Independence Day Picnic



Your American Independence Day
PICNIC 2009

The American Chamber of Commerce (Chamber) together with its many Partners and Sponsors was proud to continue the longstanding tradition of organizing the **Annual Charitable American Independence Day Picnic** in Kyiv, inviting all interested Members and their friends and families to a festive picnic in Kyiv. This time around, the July 4 event at Spartak Stadium gathered over 4,000 people.

Many thanks to the thousands of people who came and enjoyed the Picnic and to the generous Sponsors, without whom the event would have not been so successful!



The beautiful weather ensured that all attendees had fun enjoying all the types of entertainment that the venue offered. This year, Chamber Member the American Medical Center treated kids to cotton candy and face painting. The host of the picnic, Igor Posypayko, made sure all the guests had fun and facilitated all kinds of contests, giving out prizes that the Sponsors donated. Chamber Member Avis provided horseback riding and the Ukrainian music holding Lavina once again brought celebrity headliners to the event, including the Ukrainian rock band "S.K.A.I."

The culmination of the celebration was a stunning fireworks display, generously sponsored by TNK BP, which took place right after the Grand Raffle. The Chamber thanks all who attended and supported this successful event and is looking forward to hosting the 18th Annual Charitable American Independence Day Picnic in 2010!



Special Thanks to the Picnic Sponsors 2009:

PRIMARY SPONSORS:

- Primary Beer Sponsor: Slavutich, Carlsberg Group
- Primary Soft Drinks Sponsor: Coca-Cola Beverages Ukraine Limited
- Picnic Coin Sponsor: Kyivstar GSM
- Fireworks Sponsor: TNK-BP Commerce
- English Language Media Partner: What's On Kyiv

GOLD SPONSORS:

1. AIR FRANCE-KLM Group in Ukraine
2. American Medical Centers
3. Amarcord-Alex Lakomka
4. Boris, Ltd.
5. Delta Air Lines, Inc.
6. DIALOG PRESS Ltd
7. Ernst & Young LLC
8. INGO Ukraine JSIC
9. Leater
10. Leo Burnett Ukraine
11. Motorola
12. Premier Hotels
13. Radioactive Film
14. SICH SECURITY SERVICES
15. Times Media Group
16. Ukrainian Music Holding Lavina
17. Yuridicheskaya Praktika Publishing
18. Zinteco

BRONZE SPONSORS:

1. 3M Ukraine
2. AVIS
3. Cargill AT
4. Chadbourne & Parke LLP
5. Deloitte.
6. Delta Medical
7. Dragon Capital
8. Golf Center Kiev
9. Kiev.Apartment.com
10. Kraft Foods Ukraina
11. m-house
12. MARY KAY
13. Mars Ukraine
14. McDonald's Ukraine
15. Phoenix Language Center
16. Promotion's 11 Creative Agency
17. PUMA Ukraine
18. Ukraine International Airlines (UIA)

SILVER SPONSORS:

1. ClearWater Ukraine
2. Gala Radio
3. KLS Ltd
4. METRO Cash & Carry Ukraine Ltd.
5. Nestle Ukraine
6. Office Solutions Ukraine
7. Premier Palace Hotel
8. Ukrainian Journal Business Law

CATERING PARTNERS:

1. Arizona BBQ
2. Royal Catering Services

CORPORATE MATCHING GRANTS PARTNER:

1. Eurasia Foundation

VOLUNTEER SPONSORS:

1. Arizona BBQ
2. Royal Catering Services

Chamber Networking & Social Activities

Annual Events

The American Chamber of Commerce in Ukraine proudly hosted its Annual Members Appreciation Reception and Discount Card Presentation Networking event at Ukrainian House on January 29, a great Networking event that got together hundreds of Chamber Member Company representatives as well as diplomatic and donor community who Networked with fellow decision makers and enjoyed the reception.



All guests were able to enjoy the exhibition from Chamber Discount Card Program Participants and Chamber Gourmet Club restaurants providing an opportunity for the Membership to familiarize themselves with the wide variety of high quality goods and services on offer through this exiting Member 2 Member Discount Program.

During the event the Chamber Members received not only the 2009 COI and Silver Discount **Cards** but also took home the brand new 2009 Membership Directories which include a very comprehensive and up to date Country Profile, along with 2008 Annual Report.

Annual Report

The Chamber Annual Report is an electronic publication that is designed to summarize the Chamber's activities during the year highlighting Chamber Advocacy and Lobbying Activities, Committees and Working Groups, Networking and Family Events, Publications, Corporate Social Responsibility, Discount Card Program information, etc.



Chamber Publications

CHAMBER NEWS

The official newsletter of The American Chamber of Commerce in Ukraine

THE CHAMBER OF COMMERCE
Uniting Leading Companies from over 50 Nations Across the Globe

Volume 2, Issue 11 November 2009
www.chamber.ua

Ukraine's Economy: What's Ahead?

A look into 2010 as the country marks a challenging year

Jorge Zabaski President, The American Chamber of Commerce in Ukraine

Recently, the Ukrainian economy has started showing signs of recovery with experts providing guardedly optimistic forecasts. According to official statistics, industrial growth results for the third quarter of 2009 have exceeded those of the second quarter by 7.8 percent with mining increasing by 8.3 percent and machine building up by 16.1. Although seasonal revival often occurs in the third and fourth quarters, these are the first positive dynamics the economy has seen since August 2008. International market demand for metals, and chemicals, which form the foundation of Ukraine's export platform, is stabilizing. Metals prices are now at 2007 levels.

Agriculture, the traditional driver of the Ukrainian economy, showed 3.3 percent growth during January-September 2009, in comparison with the same period in 2008. So far in this marketing year farms have harvested 36.7 million tons of grain and it is expected that the total 2009 harvest will be 50 million tons. Ukraine needs around 26 million tons for internal consumption. Half of the total harvest could therefore be exported, which would be positive for the state budget and help to balance trade flows. These farming statistics are considered excellent signs, but unfortunately in Ukraine, a good harvest does not necessarily mean prosperity for the farmers who produced

Logistical difficulties and a lack of storage facilities lead to a significant portion of the crop going to waste. And while there is significant demand for grain on the international market, it is also true that competition between grain suppliers is getting tougher from year to year. Also, it is extremely important for Ukraine to improve the quality of the grain it produces if it is to compete successfully on the global market. Improving it, however, is at the moment unlikely, as farmers lack state support and access to financing.

The banking and financial sector, which is supposed to support industry and agriculture financially, is no longer under serious threat, but neither is it lending. The banking system has survived as of now. No bank in the top 50 has failed, and recapitalization is occurring. But this year the main task of banks has been to minimize losses and to create provisions, and there is not enough money left over for lending. Due to distrust of the national currency and of the banking system, bank deposit levels have fallen significantly, which is also keeping banks from lending again. At the same time, however, recent reports from the Ukrainian stock market are quite optimistic. Indexes are growing and such factors as the opportunity to buy assets at low prices, the devaluation of the UAH, the attractiveness of companies on the internal market, and positive global trends will help to

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BUSINESS info
Customer service solutions

Coca-Cola

CORSTEN'S MOVERS
Logistics solutions

DIA
Business solutions

Euro
Business solutions

Golden Telecom

interfax
Business solutions

KLS
Business solutions

MTG
Business solutions

Microsoft

LUA
Business solutions

UPS
Business solutions

WorldAPP
Business solutions

Chamber News in Business Ukraine Magazine

The Chamber is pleased to continue its successful cooperation with Business Ukraine as they strive to provide insight into the rapidly changing Ukrainian economic and political landscape. Making strategic decisions requires reliable sources of information as well as business skills and strategies to stay competitive during these tumultuous times of global financial instability.

The Chamber is pleased to contribute to Business Ukraine in order to provide our Members and other readers with up-to-date information on the Chamber's Policy, Advocacy and Lobbying related activities. The "Chamber News" section in Business Ukraine is intended to provide targeted analytical business-related information and a comprehensive overview of events and services provided by the Chamber to the Membership, investors and senior business professionals in Ukraine.

Membership Directory

The Chamber Membership Directory is a highly sought after Members benefit that is published on an annual basis and that provides the contact details and an in depth description of each Member company as well as other useful information about the Chamber and the business and diplomatic community active in Ukraine.

The Membership Directory also contains a Country Profile comprised of articles related to specific economic and business interest areas as well as political trends provided by Chamber Members who are experts in their respective field. Each Member receives two copies of the Membership Directory free of charge. This publication is circulated to the Chambers of Commerce in the NIS, EU and US as well as diplomatic and donor missions throughout the world.

MEMBERSHIP DIRECTORY 2009

THE AMERICAN CHAMBER OF COMMERCE IN UKRAINE

THE CHAMBER OF COMMERCE

Uniting Leading Companies from over 50 Nations Across the Globe

Chamber Publications

Chamber Electronic Publications

The Chamber electronic publications are sent to our Membership and externally to the wide variety of individuals and organizations that we work with in the process of obtaining positive changes in the Ukrainian business and investment environment.

The Chamber Board of Directors, Policy Team together with Chamber Committees and Working Groups regularly communicate their activities to the Membership via electronic publications: Weekly Bulletins, Policy Flashes, Advocacy and Committee Updates, Legislation Update, Information Bulletins and President's Messages.

In addition to the Weekly Bulletin which is sent out every Monday, each Member receives the Advocacy and Committee Update. Policy Flashes are aimed to inform interested Members properly and in a timely manner on relevant issues that may impact their business and are sent to those Members who request a subscription.

While constantly exploring ways to further improve the cooperation between the Chamber and Member companies, the Chamber issues a monthly electronic magazine Chamber In-Brief aimed to inform our Members about Networking events and Policy news, to provide Committee highlights, as well as providing Members with an opportunity to share their company news and important events.

Chamber Advocacy and Committee Update

This concise and innovative electronic publication is sent to Members every Wednesday providing an overview of the Chamber's current Advocacy and Lobbying initiatives including: ongoing policy activities; communication with appropriate Ukrainian State authorities; success stories; comprehensive overview of the engagement of the Chamber Industry and Sector specific Committees and Working Groups.

The publication serves as an effective communication tool providing Member companies with insight and early warnings regarding issues that may impact their business and inviting Members, who are experts in their respective fields, to share information and join efforts to successfully address common issues that impact the investment community active in Ukraine.

Chamber Legislation Update

For several years the Chamber issues the Advocacy & Committee Update that is sent every Thursday in the html format to many hundreds of subscribers. The publication consists of many important sections and covers the entire policy and advocacy activity. Continuing to improve and strengthen communication flow the Chamber has split the publication and starting from the Fall 2009 readers have an opportunity to be fully and on time briefed on the newly adopted legislation and regulations, registered drafts at the Parliament as well as drafts placed on the websites of the executive branch of power's governmental institutions.

Chamber Weekly Bulletin

Member Companies receive an HTML based electronic Weekly Bulletin each week via e-mail which describes activities in and around the Chamber which will take place in the near future. It provides **schedules and agendas for upcoming Committee meetings and other activities that the Chamber organizes as benefits for the Membership** such as: upcoming Chamber Business Networking Cocktails, sport events, "In-Focus" and "Insiders View" meetings, English Language Movie Premieres, and many other interesting activities organized by the Chamber to benefit its Members.



Chamber In-Brief

Chamber In-Brief is an informative monthly English-language electronic magazine summarizing the Chamber's activities and highlighting the Chamber's Advocacy and Lobbying initiatives, Committees and Working Groups activities as well as Networking events. It also contains a special section entitled "Member News" that provides the Chamber Membership with an opportunity to publicize news and worthy events that happened within their organization.

President's Message

A brief Executive Summary distributed via e-mail exclusively to the senior management of the Chamber Membership that highlights **policy and advocacy initiatives undertaken by the American Chamber of Commerce on behalf of our Members** and other relevant information that may be of interest to senior management regarding Chamber activities as well as containing invitations to CEOs to the Captains of Industry Meetings.

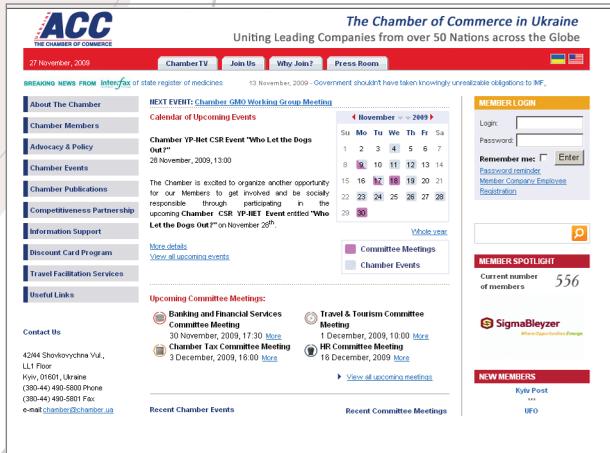


Chamber Publications

Chamber Electronic Publications

Chamber Website

WWW.CHAMBER.UA



The Chamber's website has different sections which add value to the Members by effectively communicating key Chamber activities, initiatives, success stories keeping Members updated on the current situation in the country, including current global financial crisis and its repercussions for business in Ukraine, Interfax news, Tax/Legal/Economic updates. There is also a section devoted to EURO 2012 as one of the main Policy Priorities of the Chamber giving Members access to the latest information, legislative changes, news, initiatives regarding preparations to this big and very important event for Ukraine and especially its competitiveness in the world. Since the Chamber is an active participant of the Prime Minister's Investors Council, which is co-chaired by Prime Minister Yulia Tymoshenko and Sergiy Tigipko, the Chamber's website has a special Prime Minister's Investors Council section. In addition, Members can find on the Chamber's website information on the EU's program REACH (Regulation on Registration, Evaluation and Authorization of Chemicals), its procedures, principles and requirements. Press Room, comprehensive site map are sections aimed to make the Chamber's website easy to navigate and provide maximum information for the Members.

Throughout 2009 the Chamber continues to improve, develop and incorporate innovations into its contemporary web-site to provide relevant information as well as improve communication with the Membership in an easy to navigate platform.

The Chamber's website is an important means of communication and up-to-date source of information for all our Members and interested parties in Ukraine and abroad. It contains a wide variety of useful information about Chamber's Lobbying and Advocacy activities, Networking events, Committee activities, as well as tax, legal, banking and legislative updates.

The Chamber's website is also the source of important news and useful information about our Member Companies. All Members have the possibility to post press releases and newsletters to the Members News Section on the Chamber's website. This value added benefit is provided to Chamber Members free of charge.

In 2009, the wide variety of information on the Chamber events and activities has become available for Ukrainian speaking audience with the help of new bi-lingual web site.

Chamber Gourmet Club Website



WWW.GOURMETCLUB.UA

In 2009 the American Chamber of Commerce (Chamber), in conjunction with Chamber Member Running Code, developed and launched a new interactive Gourmet Club website in three languages as a platform to further promote the Gourmet Club and the restaurants who participate while providing targeted information to potential customers assisting them in making their dining decisions. The Chamber Gourmet Club unites the best restaurants in Ukraine within the Chamber Member 2 Member Discount Card Program. Chamber Members enjoy discounts at some of the best places to dine in the country and the Chamber continually seeks to add more restaurants and benefits to the growing and dynamic Gourmet Club.

Member 2 Member Discount Card Program

In 2009 one of the most sought after benefits for American Chamber of Commerce (Chamber) Members was the Chamber Member 2 Member Discount Card Program. The Chamber promotes the use of Chamber COI (Captains of Industry) and Silver Discount Cards among the Membership to create a reputable well-recognized promotional vehicle for fellow Members to utilize. This Program not only allows participating Members to raise the awareness, profile and revenues of their companies, but it also gives the representatives of every Chamber Member Company the benefit of having access to the many discounts that are on offer.

Throughout the years the Discount Program has been regarded as an effective promotional tool for the Chamber Member Companies. At the end of 2009 over 60 companies participated in the Member 2 Member Discount Card Program providing savings on a wide variety of high quality goods and services for the benefit of the Membership. Chamber Members enjoy the discounts in around 50 of the best restaurants in Ukraine, which are

united under the Chamber Gourmet Club brand launched in 2005. The Chamber is pleased that all participants of the Program notice increased popularity of their goods and services consumed by Chamber Members.



The Chamber Discount Card Program unites companies offering discounts in the following areas:

- Advertising, Media & Printing Services
- Airlines
- Business Services
- Car Leasing & Sales
- Consultancy, Investments & Marketing Research
- Educational & Training Services
- Express Delivery Services
- Healthcare & Beauty Services
- Hotels
- Insurance
- IT/ Telecom Services
- Legal Services
- Moving & Relocation Services
- Office Furniture & Equipment
- Real Estate: Offices, Leasing Services, Land Services
- Travel Services

Member 2 Member Discount Program List

(as of November 2009)*

Advertising, Media & Printing Services

Evolution Media LLC 

Interfax-Ukraine news agency 

Internet Securities, Inc. 

Airlines


AIR FRANCE-KLM Group in Ukraine


Ukraine International Airlines (UIA)

Business Services

Blue Chip 

Clear Water Ukraine 

Garboozon.com 

InterGest Ukraine 

Media-Trade Ukraine 

WorldAPP, Inc. 

Car Leasing & Sales

Avis Ukraine (CFI-VIP Rent) 

Winner Automotive, LLC 

Consultancy, Investments & Marketing Research

EBS 

TASK LTD 

* The list of Discount program participants grows on a regular basis and the most updated list can be found on the Chamber web-site at: www.chamber.ua/discount

Member 2 Member Discount Program List

(as of November 2009)*

Educational & Training Services

Marvin



Express Delivery Services

UPS



Healthcare & Beauty Services

American Medical Centers



The Imperial Tailoring Company



Hotels

Donbass Palace Hotel



ITT Invest



Premier Hotels



Premier Palace Hotel



President Hotel



Riviera on Podol Boutique-hotel



Rus Hotel



Insurance

Alfa Insurance IC, CJSC



Credo-Classic Insurance company, CJSC, Member of UNIQA Group Austria



INGO Ukraine Joint-Stock Insurance Company



Insurance Company "NOVA" OJSC



IT/ Telecom Services

ISS – Information Software Systems Ltd.



Kyivstar GSM JSC



Mirasoft Group



* The list of Discount program participants grows on a regular basis and the most updated list can be found on the Chamber web-site at: www.chamber.ua/discount

Member 2 Member Discount Program List

(as of November 2009)*

Legal Services



INTEGRITES International Law Firm



Paritet Law Firm

Moving & Relocation Services



KLS Ltd



MURAVEJ, Trade Mark



Spicy Lime Group

Office Furniture & Equipment

DenzaWorkspace

Leater



Magnate Design Centre,
Private enterprise



Office Planning



Office Solutions
Ukraine



Real Estate: Offices, Leasing Services, Land Services

First Realty
Brokerage Ltd.



Silver Centre



Travel Services

ART&JOURNEY
travel company, DMC



Bytsko Travel Company



Happy Vacations



Save Travel d/b/a
KievApartment.com



Sky Travel HRG Ukraine



Travel Centre TRIME LLC



Ukreurotour



* The list of Discount program participants grows on a regular basis and the most updated list can be found on the Chamber web-site at: www.chamber.ua/discount

Chamber Gourmet Club

The American Chamber of Commerce (Chamber) Gourmet Club unites the best restaurants in Ukraine within the Chamber Member 2 Member Discount Card Program. Chamber Members enjoy discounts at some of the best places to dine in the country and the Chamber continually seeks to add more restaurants and benefits to the growing and dynamic Gourmet Club. All Chamber Discount Card holders receive exclusive discounts in these wonderful restaurants with Captains of Industry Cards (COI) receiving a 15% discount and Silver Cards enjoying 10% at all restaurants listed below.

In 2009 the Chamber, in conjunction with Chamber Member Running Code, developed and launched a new interactive Gourmet Club website in three languages as a platform to further promote the Gourmet Club and the restaurants who participate while providing targeted information to potential customers assisting them in making their dining decisions. Please visit the Chamber Gourmet Club site next time you are wondering where to have lunch or dinner at www.gourmetclub.ua



Arizona Restaurant

25, Naberezhno-Khreshchatytska vul.
+38 (044) 425-2438



Atelier Restaurant

17/52, B. Khmelnytskogo vul.
+38 (044) 581-1081



AVALON

3, Leontovycha vul.
+38 (044) 234-7494



Azhur Disco Club

3, Leontovycha vul.
+38 (044) 234-7494



Belcanto

28, Fizkultury vul.
+38 (044) 499-3631



BELLINI'S Bar

53, B. Khmelnytskogo vul.
+38 (044) 581-7070



Centrale Restaurant

28, Mezhygirska vul.
+38 (044) 467-7826



Concord

42/4, Pushkinska vul.
+38 (044) 234-7788



Decadence House

16, Shota Rustaveli vul.
+38 (044) 206-4920



Doversole Restaurant

81, Chervonoarmiytska vul.
+38 (044) 531-1378



Fiji Lounge Bar

14v, Sagaidachnogo vul.
+38 (044) 425-5578



IKRA

11, Pankivska vul.
+38 (044) 288-1990



Korsar Restaurant-Bar

14v, Sagaidachnogo vul.
+38 (044) 425-5578



Kupetcheskiy dvor

24 km, Stolychne Shosse
+38 (067) 502-9289



Kureni Restaurant

4, Parkovaya doroga
+38 (044) 360-5624

Chamber Gourmet Club



La Casa del Habano
13, Klovsky Uzviz
+38 (044) 492-7448



L'Accente
5, Lesi Ukrainky bulv.
+38 (044) 200-5001



LaLe
14, Sofiyivska vul.
+38 (044) 278-7566



Le Grand Cafe
4, Muzeyniy prov.
+38 (044) 278-7208



LUCKY PUB
Beer Bar & Restaurant
13, Chervonoarmiyiska vul.
+38 (044) 499-1313



Marokana Fashion Cafe
24, Lesi Ukrainky bulv.
+38 (044) 254-4999



Mocco Restaurant Bar
15, Khreshchatyk vul.
+38 (044) 230-9230



Mon Ami
10, Shovkovychna vul.
+38 (044) 253-3008



Monaco Restaurant
20, Velyka Zhytomyrska vul.
+38 (044) 590-0180



O'Brien's Irish Pub
17A, Mykhailivska vul.
+38 (044) 279-0214



O'Panас
10, Tereschenkivska vul.
Shevchenko Park
+38 (044) 235-2132



Panorama, Jazz, Wine & Cigars
3, Sholudenska vul.
+38 (044) 230-4792



Peterhof Wine Restaurant
6, Pylypa Orlyka vul.
+38 (044) 253-7358



Riviera on Podol
15, Sagaidachnogo vul.
+38 (044) 581-2828



SAN TORI
41, Sagaidachnogo vul.
+38 (044) 462-4994



Soho Restaurant Complex
82, Artema vul.
+38 (044) 484-0351



Swing Restaurant - Bar
11, Volodymyrska vul.
+38 (044) 279-2865



Tampopo Restaurant
55, Saksaganskogo vul.
+38 (044) 284-3026



TEATRO Restaurant
53, B. Khmelnytskogo vul.
+38 (044) 581-7070



TERRACOTTA RESTAURANT

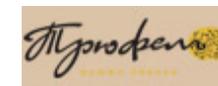
Terracotta Restaurant at Premier Palace Hotel
5-7/29, T. Shevchenka bulv. /
Pushkinska vul., Floor 8
+38 (044) 244-1235



Club-Restaurant Terrace
60A-B, Vozdvyzhenska vul.
(at the Andreevsky Uzviz)
+38 (044) 531-9933



Tike Ukraine
31A, Sagaidachnogo vul.
+38 (044) 417-4062



Truffle
5, Chervonoarmiyiska vul.
+38 (044) 492-1622



Trypillia
27 km of new Obuhiv route
v. Pidgirtsy
+38 (044) 585-5566



Tsarske Selo
42/1, I. Mazepy vul.
+38 (044) 254-2077



USSR
42/1, I. Mazepy vul.
+38 (044) 254-2077



VANILLA Black Pre-party Restaurant
2, T. Shevchenka bulv.
+38 (044) 235-4185

ABB Ltd
AKMA, Production and Commercial Firm
APCO Worldwide
AXA Ukraine
Ahtna Government Services Corporation
**All-Ukrainian Pension Funds' Administrator
The, Limited**
Astrum Investment Management
B&H CJSC
BMS Soft Ltd

GEMINI LLC
GMF
Galnaftogaz Concern
Global Bilgi LLC
GlobalLogic Ukraine
Hannes Snellman Ukraine
Happy Vacations
Holtec International — Ukraine
Honda Ukraine LLC
INTERPONT Limited Liability Company

mitsui & CO., LTD.
Magnate Design Centre, Private enterprise
Mainstream Communication & Consulting
McKinsey and Company
Media-Trade Ukraine LLC
NRB — Development
Office Planning
Open Borders Media
Oranta, NJSIC
Out There Media

Sarmat JSC
**Scientific Games Honsel GmbH
Representaion in Ukraine**
Shostka Milk Plant/ Fromagerie Bel, OJSC
Silver Centre
Spenser & Kauffmann
**Swedbank AB Representative Office in
Ukraine**
TABASCO
Teleperformance Ukraine
UFO

Welcome to Our New Chamber Members in 2009

***As of November 2009**

Baltic International Bank JSC
CB Richard Ellis LLC
**Chevron Europe, Eurasia, and Middle East
Exploration and Production Limited**
DOOR Ukraine
DPD Ukraine
Deseret International Charities, Inc.
Discovery Technology International, LLP
ENGARDE Attorneys at Law
Erste Bank, JSC
Euroglas Ukraine
FM Logistic
Forum JSCB
Frayman Holdings Limited

ISTIL Group
InterGest Ukraine
International Investment Group
Jansen Capital Management
KOSTAL Ukraine TOV
Kiev Golf Club
Kinomania LLC
Kontekst HR Ukraine
Kyiv Global LLC
LEGITIMUS LAW FIRM LLC
LG Electronics Ukraine
Lavrynovych and Partners
METINVEST HOLDING LLC

P&S CAPITAL Ltd.
PRAVEX-BANK, JSCB
Partner Logistics Ukraine
PeopleNet
Perekhid Outdoor
Pharos Mobile LLC
Phoenix Center LLC
Promotions11
Redondo
Research-Communication Inc.
SCM (System Capital Management)
SMART CONFERENCE, Ltd.
Sandoz Pharmaceutical

UKR-FIN TOUR
UKRAINE CONSULTING
**USAID — Families for Children Program,
Holt International Children's Services**
Ukr-Progresstech LLC
Ukrainian Sugar Company LLC
Uvecon Consulting Company LLC
VOLIA Cable LLC
VR Business Brokers
Vanco Prykerchenska Ltd
Vseswit Ltd., Asset Management Company
Ward Howell
Wimm-Bill-Dann Ukraine, OJSC
Wolf Theiss LLC

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