

2012

ANNUAL REPORT



Message from the Chairman of the Chamber Board of Directors

Dear Chamber Members,

Despite all the political and financial challenges that 2012 has put in Ukraine's path, the Chamber and its executive team remain focused on the future and look forward to the continued successes of the Chamber and each of its Members. Over the last 20 years the Chamber has been striving to unite the leading businesses in Ukraine, irrespective of their national origin, to work together to create a better business environment and facilitate new investment in the country's economy. Celebration of the organization's 20th Anniversary – a major milestone in the Chamber's history – made us once again think about how much the country has accomplished throughout all these years. We are proud to have been a witness to and participant in Ukraine's development as an independent nation as it has moved to embrace the principles that are the hallmarks of successful market economies.

2012 has been especially successful in terms of maintaining an effective dialog between the business community and the Government of Ukraine. Providing our Members with information, high level engagement, and access to key decision makers, the Chamber continued to implement the comprehensive economic reform that Ukraine desperately needs to successfully compete in a challenging global marketplace and attract much needed domestic and foreign investment.

This year special attention went to strengthening the Committee structure and Policy Team performance to ensure that the correct mix of Committees and Working Groups is in place. The results of the 2012 Chamber Membership Satisfaction Survey clearly showed positive tendencies in reinforcing advocacy and policy activities, including as regards Chamber Commit-

tees' performance and internal and external communication. The same can be said about the successful development of the Business Networking platform – the Chamber has focused on further developing a well-rounded offering of benefits and services by being proactive, innovative, and oriented towards customer service.

On behalf of the Board of Directors I would like to once again express our sincere gratitude for the support and involvement of every one of our Member Companies. Their efforts have been key to driving the Chamber's activities in 2012. The road has not always been easy, but by working together and supporting each other we have collectively achieved a lot that we can be proud of.

*Sincerely,
Ian Borden
Chamber Board of
Directors*



Message from the Chamber President

Dear Chamber Members,

Enhancing Ukraine's global competitiveness remains a key priority for the American Chamber of Commerce in Ukraine. Despite the financial uncertainty, driven by the Euro zone, which has created a bit of trepidation within the business community, in 2012 the country managed to significantly improve its positions in rankings by two internationally recognized organizations – the World Economic Forum (WEF) and the World Bank (WB). Such improvements are major successes in terms of the country's positioning in the international arena and have everything to do with the implementation of hard-won reforms, many of which the American Chamber of Commerce in Ukraine was directly involved in shaping and advocating for.

More, of course, needs to be done as the country's leadership strives to rise to the top of this important list. But moving from the bottom of the list to the middle over the years has itself been a major accomplishment. In 2012 the business community that the Chamber represents has observed a positive tendency with respect to the readiness of state officials on all levels to engage in a focused dialog, taking into consideration the international best practices that the expert, business, and diplomatic communities can offer. The Domestic and Foreign Investors Advisory Council (DFI-AC) under the President of Ukraine is a good example of the leadership of Ukraine's commitment to creating more favorable conditions for investors.

We at the Chamber continue to focus our efforts on ensuring that the organization remains relevant and value-added. We stay nimble and adjust to the needs of our Membership

as the business, investment, and political landscapes change. We will continue to focus on the future, doing what we can on behalf of our Members, 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, and to serve as a strong information platform helping all of our Members to succeed.

The 2012 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 2013 and beyond, as we all strive to succeed in this challenging and rewarding environment.

*Sincerely,
Jorge Zukoski
Chamber President*



TABLE OF CONTENT

About the Chamber in Ukraine	5
Administrative Staff as of December 1, 2012	6
2012 Chamber Official Service Providers	7
Calendar of Chamber Events	33
Chamber Success Stories in 2012	54
Chamber Innovations in 2012	66
Ukrainian Government Relations	75
2012–2013 Partnership for Successfully Competing in the Global Economy	92
Chamber Committees and Working Groups	95
Chamber Knowledge Seminars and Training Programs	148
Chamber Business Networking and Social Activities	152
Chamber Gourmet Club	160
Membership Discount Programs	166
New Members in 2012	168



THE CHAMBER IN UKRAINE

Over the last 20 years one of the principle activities of the American Chamber of Commerce in Ukraine (Chamber) has been to represent the internationally oriented investment community and to facilitate the entrance of potential new investors into the Ukrainian market. The Chamber successfully works to establish cooperation with the Ukrainian authorities to improve the business environment and promote fair and transparent rules for doing business in Ukraine. It also works to secure Ukraine's integration into the larger global community. The Chamber remains an active and engaged member of the Domestic and Foreign Investors Advisory Council (DFIAC) and the Economic Reforms Committee under the President of Ukraine, as well as of a wide variety of Public Councils within the Ukrainian Ministries and State Services, using these venues to effectively push the policy agenda of the Chamber Membership forward.

The Member organizations of the Chamber represent many of the largest strategic and institutional investors, from over 50 nations across the globe, that are operating in Ukraine, investors that have committed a majority of the total foreign direct investment into this dynamic marketplace. We unite companies from a variety of regions and countries, including North America, Europe, Asia, Russia, and Ukraine.

Taking into account the business needs and personal interests of the Membership, the Chamber arranges various types of events, allowing Members to communicate, estab-

lish new contacts, and expand activities by participating in Chamber Committees and stratified/targeted Business Networking events.

The value-added Chamber Membership benefits also include but are not limited to exclusive individual and corporate discounts from Chamber Members within the Chamber Discount Program; the continuously expanding Chamber Gourmet Club, which already unites over 80 restaurants; streamlined Express Business U.S. Visa Services; and much more.



Administrative Staff as of December 1, 2012

PRESIDENT

Mr. Jorge Zukoski

POLICY TEAM

Dr. Yaroslav Voitko

Policy Manager

Ms. Daryna Nakonechna

Senior Policy Officer
(Business Administration)

Ms. Olena Bochkovska

Policy Officer (Committees)

Mr. Oleksandr Chornyy

Policy Officer (Competitiveness)

Ms. Nataliia Iefimenko

Policy Officer (Committees)

Ms. Dina Narezheva

Policy Officer (Energy Issues)

Ms. Natalya Plikha

Policy Officer
(Communications)

Ms. Tetyana Prokopchuk

Policy Officer (Committees)

Mr. Denys Sobolev

Policy Officer (Agricultural
Issues)

Ms. Iryna Syrotenko

Policy Officer (Food &
Beverages Committee)

Ms. Olga Gvozdoва

Policy Team Assistant

Ms. Lesya Lysyak

Policy Team Assistant

Ms. Anna Medvedeva

Policy Team Assistant

MEMBERSHIP TEAM

Ms. Anna Revyakina

Senior Membership
Development Coordinator

Ms. Olga Skrypka

Membership Development
Coordinator

Ms. Anna Ilchenko

CRM Coordinator

Ms. Julia Gritsenko

Membership Programs Coordinator

COMMUNICATIONS TEAM

Ms. Olena Shynkarenko

Communications and
Marketing Manager

Ms. Anastasia Politiuk

Senior Communications
Coordinator

Ms. Zena Kleshchar

Web-content / E-Publications
Coordinator

Mr. Ivan Bachynsky

E-Publications Coordinator

Ms. Vitalina Ivakhnenko

POS & Marketing Coordinator

Mr. Borys Kuleshov

Technical Support Coordinator

Ms. Diana Smolinska

Communications Team
Assistant

EVENTS TEAM

Ms. Victoria Matsak

Event Manager

Ms. Olena Arustamova

Senior Event Coordinator

Ms. Maria Shulga

Senior Event Coordinator

Mr. Oleksandr Matkovsky

Event Coordinator

Ms. Krystyna Kovalenko

Event Coordinator

Mr. Dmitry Gruzyn

Event Assistant

ADMINISTRATIVE TEAM

Ms. Nadiya Polishchuk

Administrative & Financial
Manager

Ms. Kateryna Smol

Chief Accountant

Ms. Olena Potylko

Accountant

Ms. Valeria Kuzmina

HR Coordinator

Ms. Vitalina Novak

Administrative Coordinator

Ms. Anastasia Romenska

Personal Assistant

Mr. Andriy Fabrikant

System Administrator

Ms. Anna Poida

Receptionist

Mr. Volodymyr Poplavets

Driver

Mr. Igor Zabailovych

Driver

Horizon Park Business Center

12 Amosova Street, 15th Floor

Kyiv 03680, Ukraine

Phone: (380-44) 490-5800

Fax: (380-44) 490-5801

E-mail: chamber@chamber.ua

www.chamber.ua





2012 CHAMBER OFFICIAL SERVICE PROVIDERS



2012 Chamber Official Service Providers

“Official Service Provider” status from the American Chamber of Commerce in Ukraine (Chamber) is granted to Chamber Member organizations that provide goods and services to the Chamber under special agreements, either on a pro bono basis or at greatly reduced rates.

These goods and/or services help the Chamber to fulfill its mission and vision while providing value added services to its Membership.



2012 Chamber Official Service Providers

Astelit LLC

BUSINESS life — brand for businesses: small and medium enterprises and corporations.

BUSINESS life provides customers with the most up-to-date mobile telecommunications services and innovative offers to maximize business effectiveness.

BUSINESS life stands out with its advantageous tariffs for services and products, its unique proposals for roaming, its mobile marketing services for any kind of business, and its convergent services (rent of channels, fixed telephony, and Internet). Moreover, clients get additional advantages through the simple, lucrative BUSINESS PLUS loyalty program.

12 Amosova St., Horizon Park BC

Kyiv 03680, Ukraine

Phone: +38 (044) 233-3131

Fax: +38 (044) 233-3062

E-mail: reception@life.com.ua

Website: www.businesslife.com.ua

business

life:)



2012 Chamber Official Service Providers

Audit Firm “RSM APiK”

“Audit Company “RSM APiK” was created in July 1993. During the period of company’s activity our specialists have provided audit services to more than 400 companies and 80 banks. RSM APiK is one of the leading audit companies on Ukrainian market of audit and consulting services. Since September 2007 our firm has become a member of RSM International network, which is the sixth largest accounting and audit organization in the world <<http://www.rsmi.com/>>. On the one hand this is acknowledgement of our high professional level on the other hand it gives a possibility to cooperate with colleagues from more than 630 offices in 72 countries and to provide support of your business practically in any place in the world. The Company’s main areas of activity are the provision of various types of audit and related services to commercial banks. High rate of proficiency of the company and its contribution to the development of bank audit methodology have gained recognition in business spheres, state institutions, and in the professional audit community of Ukraine. RSM APiK is the only audit company in Ukraine, which has become a member of Association of Ukrainian Banks. RSM APiK has lengthy experience of work with large joint-stock companies and state enterprises specializing in the most important areas of the economy (fuel and energy complex, technical connection and telecommunication, insurance business, and the like.).

We have also developed extensive contacts with 100% foreign-owned companies and banks.

37/19 Donetska St.
1st floor
Kyiv 03151, Ukraine
Phone: +38 (044) 501-5934
Fax: +38 (044) 501-5934
E-mail: office@apik.com.ua
Website: www.rsmapik.com.ua



RSM APiK
Audit • Tax • Advisory



2012 Chamber Official Service Providers

Benefit Systems LLC

Benefit Systems is the creator and operator of MAXI, the first multi-branded loyalty program in Ukraine. With 200,000 cardholders in 2012, the MAXI Program is an efficient sales stimulation tool for retailers in Ukraine.

MAXI is designed to be a top-of-the-wallet card for all household members. The MAXI CARD bonus system allows customers to earn on everyday purchases like clothes or gasoline as well as on more serious items, including insurance policies, electronics, holiday bookings, etc. Afterwards, cardholders can redeem accumulated bonuses in the MAXI network as they wish.

The MAXI Program enables its partner retailers to analyze their databases and customers' shopping behavior, which allows for targeting each segment with individual offers and building true customer relationships.

The MAXI Program has launched in Kyiv, Dnepropetrovsk, Kharkov, Donetsk, Lvov, Simferopol, and Odessa, and will soon expand to all Ukraine's other major cities. There are expected to be a million cardholders in 2013.

MAXI's ambitious strategy is based on shareholders' financial commitment and on a dynamic team led by international experts in loyalty marketing.

5A Zoologichna St.
Kyiv 04119, Ukraine
Phone: +38 (044) 498-0086
Fax: +38 (044) 498-0086
E-mail: info@maxicard.ua
Website: www.maxicard.ua



2012 Chamber Official Service Providers

Brain Source International

Brain Source International is the largest Executive Search network in New Europe providing a wide range of HR Services for multinational companies across all industries.

Our main benefit is that we work faster than most of our competitors in executive search industry. Normally, it takes us up to three weeks to provide our clients with a short list of qualified candidates.

Locations of our offices allow us to successfully accomplish search assignments on the territories of United Kingdom, Eastern Europe, Russia, Ukraine, Belarus, Moldova, Georgia, Armenia, Kazakhstan and Azerbaijan.

We strive to build long term relations both with our own staff and our Clients.

Welcome to Brain Source International!

3 Sportyvna Sq.,
2nd floor

Kyiv 01601, Ukraine

Phone: +38 (044) 390-5010

Fax: +38 (044) 390-5006

E-mail: info@brain-source.com

Website: www.brain-source.com

BRAIN ▲ SOURCE
INTERNATIONAL

*European standards
of recruitment*



2012 Chamber Official Service Providers

Carlsberg Ukraine

Carlsberg Ukraine is owned by Carlsberg Group, one of the leading brewing groups in the world, with a large portfolio of beer and other drinks brands. Carlsberg Group has over 41,000 employees and its products sell in more than 150 markets. In 2012 Carlsberg Group sold more than 135 million hectoliters of beer – the equivalent of 40 billion bottles. Carlsberg Group was the official sponsor of the UEFA EURO 2012 football championship in Poland and Ukraine. For more information, please visit www.carlsberggroup.com.

Carlsberg Group in Ukraine includes breweries in Zaporizhzhia, Kyiv, and Lviv. Over 3,500 employees work at the company. The Group portfolio in Ukraine includes such beer and soft drink trademarks as Slavutich, Lvivske, Tuborg, Baltika, Carlsberg, Holsten, Corona, Arsenal, Negro Modelo, Kvas Taras, Khmilne, Top Tea, Somersby, Guinness, Kilkenny, Harp, and Zatecky Gus.

For over six months of 2012 Carlsberg Ukraine was second in terms of volume on Ukraine's beer market. According to AC Nielsen data, the initial company market share was 30.4%. The company is also a leader on the Ukrainian kvas market — according to AC Nielsen data, until June, its market share was 34.4%.

137 Chervonopraporna St.

Kyiv 03026, Ukraine

Phone: +38 (044) 490-2929

Fax: +38 (044) 490-2933

E-mail: info@carlsberg.ua

Website: www.carlsbergukraine.com



2012 Chamber Official Service Providers

Citibank, PJSC

Citibank is a 100%-owned subsidiary of Citigroup, Inc. (headquartered in New York, New York, U.S.A.) that delivers financial services through its Institutional Clients Group, its Global Consumer Group, and its Global Wealth Management.

Citibank was registered by the National Bank of Ukraine in May, 1998. On October 30, 1998 the Bank was granted the package of banking licenses authorizing it to conduct all principal banking operations for corporate customers (residents and non-residents).

Citibank has a dedicated local corporate banking and treasury team, which actively co-operates with our Institutional Clients Group and Treasury specialists to introduce innovative products to the Ukrainian market.

Citi Ukraine offers a range of market-leading cash management, trade, and securities products and services to our clients. They are delivered via our award winning online CitiDirect banking platform, enabling us to get closer to our clients throughout Ukraine.

Citi has launched custody services for Ukrainian securities as well as agency and trust services, including on and offshore escrow services.

Citibank won Euromoney magazine's award for Best Cash Management bank in Ukraine in 2009 and Global Finance magazine's award for Best Corporate Internet Bank in Ukraine in 2009.

We continue to invest in developing our products and services and are proud to be the bank of choice for many multinational companies with offices in Ukraine.

Citibank transfers best corporate practices from Citi's global operations into its growing Ukrainian business to build a reliable and effective franchise.

16G Dymytrova St.

Kyiv 03150, Ukraine

Phone: +38 (044) 490-1000

Fax: +38 (044) 490-1030

E-mail: larissa.prodan@citi.com

Website: www.citigroup.com



2012 Chamber Official Service Providers

CMS Cameron McKenna LLC

CMS Cameron McKenna opened its office in Ukraine in the summer of 2007. At the moment we have a four-partner practice in Kyiv. Each partner has significant experience on the Ukrainian market.

CMS Cameron McKenna is the first law firm in Ukraine with its headquarters in London. Our team combines both local and international lawyers, which ensures that our clients receive the benefit of in-depth local knowledge and international best practices.

The leading international directories Chambers and Partners, Legal 500, Best Lawyers, and PLC Which Lawyer? have ranked three of our Kyiv partners among the leading individual lawyers in the country. CMS Cameron McKenna has also been recognized as Best International Law Firm in Ukraine for two years in a row (2009 and 2010).

Our team has extensive experience in the Ukrainian market and has advised Ukrainian and international clients in various areas of the law, including corporate, mergers and acquisitions, banking and finance, real estate, labor, capital markets, energy and projects, competition, investments, intellectual property, oil and gas, telecommunications, and public-private partnerships.

In the CEE region, CMS Cameron McKenna has offices in Bulgaria, the Czech Republic, Hungary, Poland, Romania, Slovakia, and Ukraine. We are able to develop long-term relationships with our regional clients and we help them to take advantage of the many opportunities available in Central and Eastern Europe.

CMS Cameron McKenna is a founding member of CMS. CMS is an organization of independent European law and tax firms of choice for organizations based in, or looking to move into, Europe. CMS provides a deep local understanding of legal, tax, and

business issues and delivers client-focused services using a joint strategy executed locally across 27 jurisdictions, with 53 offices in Western and Central Europe and beyond. CMS was established in 1999 and today comprises nine firms, employing over 2,400 lawyers and headquartered in Frankfurt, Germany. CMS's nine member firms are the following: CMS Adonnino Ascoli & Cava-sola Scamoni (Italy); CMS Albinana & Suarez de Lezo (Spain); CMS Bureau Francis Lefebvre (France); CMS Cameron McKenna LLP (UK); CMS DeBacker (Belgium); CMS Derks Star Busmann (Netherlands); CMS von Erlach Henrici (Switzerland); CMS Hasche Sigle (Germany); and CMS Reich-Rohrwig Hainz (Austria).

38 Volodymyrska St.
6th floor

Kyiv 01034, Ukraine

Phone: +38 (044) 391-3377

Fax: +38 (044) 391-3388

E-mail: KyivOffice@cms-cmck.com

Website: <http://www.cms-cmck.com>

CMS

Law . Tax



2012 Chamber Official Service Providers

Coca-Cola Ukraine Limited

Coca-Cola Ukraine Limited is a Ukrainian registered enterprise with 100% foreign capital. It has been registered in Ukraine since 1992 and is an affiliate of the Coca-Cola Company, with its headquarters in Atlanta, Georgia, USA.

Coca-Cola Ukraine Ltd., together with its bottling partner, Coca-Cola Beverages Ukraine Ltd., form the Coca-Cola System in Ukraine.

One of the Company's primary roles and responsibilities is to protect its trademarks and develop its image in Ukraine. The Company carries out a whole range of marketing activities and marketing research programs related to its operations.

Coca-Cola Ukraine emphasizes its commitment as a socially responsible corporate citizen. We aspire to continue working towards the integral and sustainable growth of Ukraine, with special priority placed on enriching the lives of the community and preserving the environment. The company carries out numerous socially important projects and is a major sponsor of numerous important sports, cultural, and public events in Ukraine.

17G Skovorody St.
Kyiv 04070, Ukraine
Phone: +38 (044) 490-0880
Fax: +38 (044) 490-0897
E-mail: ccbu@cchellenic.com
Website: www.coca-cola.ua



2012 Chamber Official Service Providers

Credit Agricole Corporate and Investment Bank

Credit Agricole Corporate and Investment Bank was in 1993 the first fully operational Western bank in Ukraine under the Credit Lyonnais brand. Since 2004 it has been under the Calyon brand.

Its 19 years of experience, four more years more than any other western bank in an environment where experience is a key, have made and still make Credit Agricole Corporate and Investment Bank the foreign bank of reference.

Credit Agricole Corporate and Investment Bank:

- Has the best FITCH ratings.
- Has for three years in a row (2008, 2009, 2010) been named the most trusted bank in Ukraine (the Expert, a Ukrainian economic weekly).
- Is the №1 bank in terms of cash management.
- Is a leader in foreign exchange and local currency money market transactions for international companies.
- Is a leader in M&A transaction servicing.

Credit Agricole Corporate and Investment Bank belongs to the Credit Agricole Group. Credit Agricole is a retail bank leader in France and in Europe and a first-class partner for the economies in which it operates. Its more than 160,000 employees work to satisfy the banking requirements of 49 million customers in 70 countries

In Ukraine the Credit Agricole Group owns a 200-outlet retail bank, Credit Agricole Bank (the former Index Bank), which it purchased in 2006.

Credit Agricole Bank is mostly devoted to the retail and SME businesses, whereas Credit Agricole Corporate and Investment Bank is devoted to bigger corporations, both Western and local.

23A Volodymyrska St.

Kyiv 01034, Ukraine

Phone: +38 (044) 490-1400

Fax: +38 (044) 490-1402

E-mail: ukr-general@ca-cib.com

Website: www.ca-cib.com.ua



2012 Chamber Official Service Providers

Denza Workspace

Founded in 2001, Denza Workspace is a well-established and dynamic company that leads in the development and realization of interior solutions for commercial real estate. The core line of our business is the creation of professional corporate environments for clients, using the latest products and trends in office design.

We provide a comprehensive portfolio of services, including: planning office workspace, elaborating architectural and design projects, fulfilling all fit-out decoration and engineering work, providing general contractor and project management services, and supplying furniture. The wide range of our products and services helps us to ensure that employees who spend hours each day at work do so in maximum comfort and with minimal long-term health risks. To achieve this goal, we combine products from leading European furniture manufacturers such as Herman Miller (England), Estel (Italy), and DVO (Italy).

In essence, we provide a turn-key solution to clients that want not only to buy furniture, but also to fit out their offices. Our construction department handles all issues pertaining to approvals and permissions from the authorities.

Our clients in Ukraine include big international companies such as Sanofi Aventis, Hewlett Packard, Procter & Gamble, Miele Ukraine, ING Bank, the U.S. Embassy, DLA Piper, Canon, Credit Suisse, and many other multinational business leaders.

The breadth of our expertise means that you don't have to source multiple suppliers – we can provide the complete range of services. We always provide timely solutions and services of the highest quality to our clients.

86B Bozhenka St.

Kyiv 03150, Ukraine

Phone: +38 (044) 379-3607

+38 (044) 379-3609

Fax: +38 (044) 379-3608

E-mail: office@denza.com.ua

Website: www.denza.com.ua



2012 Chamber Official Service Providers

Euro Leasing

Euro Leasing is an innovative company that since its foundation in 2004 has maintained a confident lead on the Ukrainian transport leasing market. The Company has been chosen as the Official Leasing Provider for the American Chamber of Commerce. Euro Leasing provides services pertaining to the financial and operational leasing of cars, commercial vehicles, and agricultural machinery, as well as a range of additional fleet management services. Euro Leasing provides high quality services, an individual approach to every client, and the widest range of service options.

In addition to standard customer financing, Euro Leasing clients receive a number of benefits during service:

- Euro Leasing managers select and purchase vehicles that best fit the business needs of the client, and on the best terms from our partner dealers
- Euro Leasing offers financial and operational leasing in UAH, USD, and euros for up to five years
- Flexible financial terms allow the client to select an individual payment schedule: an annuity, a schedule with a decreasing balance, or a seasonal schedule
- Euro Leasing makes timely decisions regarding cooperation and requests a minimum set of documents from clients
- The registration and insurance of the vehicle are included in the lease contract
- Euro Leasing's client package includes 24/7 technical assistance, administration of insurance claims, routine technical inspections, and the use of the analytical Fleet-Online reporting system and a fuel card for free
- Each client can create a personalized package of services based on its business needs

– An extensive regional network of client service support with more than 150 partners throughout Ukraine provides the highest quality service

– Euro Leasing offers an established trade-in system: exchange an old car for a new leased one with exclusive conditions from Avtostock, the used vehicles dealer network

Unique innovative Euro Leasing services:

– Fleet-online – an innovative solution that optimizes costs and helps ensure control and management of the car fleet

– Multi-brand fuel card – discounts on fuel purchased from the leading petrol companies of Ukraine (WOG, TNK, Shell, Lukoil, Parallel, Socar, Neftek, and RUR) and on-line processing of card operations.

Euro Leasing's priorities are to maintain high-quality service standards and beneficial conditions of cooperation, match client expectations, and provide services at a European level.

Euro Leasing belongs to the Atoll Holding Group, one of the leading players in the Ukrainian automotive market. Euro Leasing's investor is the Euroventures Ukraine Fund II (EVU II) – a direct investment fund, one of the largest in Ukraine.

4 Ivana Lipse Blvd.

Kyiv 03680, Ukraine

Phone: +38 (044) 490-1087

Fax: +38 (044) 490-1087

E-mail: sales@lease.com.ua

Website: www.lease.com.ua



EURO LEASING
European financial service



2012 Chamber Official Service Providers

Hewlett-Packard UA LLC

Hewlett-Packard is a technology company operating in more than 170 countries with over 324,000 employees worldwide. The first HP entity in Ukraine was founded in 1997.

HP focuses on simplifying technology experiences for all of its customers – from individual consumers to the largest businesses. With a portfolio that spans IT infrastructure, personal computing and printing, software, services, and outsourcing, HP is among the world's largest IT companies.

HP Ukraine provides a local HP presence in a fast developing market, as well as partner, customer, and marketing research. It intends to invest in Ukraine as a high potential and important market. HP is strongly oriented to providing top quality service through authorized service centers located in Kyiv and through regional service centers in the biggest cities of the country.

110 Zhylyanska St.
Kyiv 01032, Ukraine
Phone: +38 (044) 498-8000
Fax: +38 (044) 498-8001
E-mail: info_ukraine@hp.com
Website: www.hp.ua



2012 Chamber Official Service Providers

Interfax-Ukraine News Agency

The Interfax-Ukraine News Agency belongs to the international Interfax Information Services group. It has been a provider of information in Ukraine's political and economic information market since 1992.

Over this time, the agency has earned a reputation as being the most authoritative and competent supplier of timely and objective information, in high-quality and popular news product formats.

Among its clients are leading Ukrainian and foreign mass media, commercial and mediatory companies, investments funds, banks and financial institutions, foreign companies and representative offices, public organizations, embassies, and trade missions.

News reports from Ukraine are available to clients in almost all the countries of the world through the distribution channels of Interfax International.

The agency covers more than 20 information markets about political and economic subjects in four languages (Ukrainian, Russian, English, and German).

The agency's product portfolio constantly expands with new information services.

8/5A Reytarska St.
Kyiv 01034, Ukraine
Phone: +38 (044) 270-7465
Fax: +38 (044) 270-6574
E-mail: urakin@interfax.com.ua
Website: www.interfax.com.ua



2012 Chamber Official Service Providers

ISA Prime Developments

ISA Prime Developments is a closed joint stock company with foreign capital. The company owns the business centers Horizon Park, located at 4 M. Hrinchenko St. and at 12 Amosova St. in Kyiv, close to downtown. It is currently developing other business centers on Zhilyanska St. and Gorkogo St. All the business centers have unique qualities and strategic locations making them perfect choices for international clients. Among its 50 tenants are the American Chamber of Commerce in Ukraine, Unilever, Cisco Systems, Philips, Nokia, Siemens, L'Oreal, Regus, Ferrero, Platinum Bank, Life:), and LaFarge. ISA Prime Developments offer the highest standards of property management, provided by New Horizon Property Services Ltd. The buildings are equipped with fully integrated HVAC systems, indoor and outdoor parking facilities, many in-house amenities such as cafes, banks, mini markets, dry cleaning, notary, and travel service providers, and 24-hour live guarded and CCTV security.

4 Grinchenko St.
Kyiv 03680, Ukraine
Phone: +38 (044) 490-6970
Fax: +38 (044) 496-3757
E-mail: horizon@nhps.kiev.ua
Website: www.nhps.com.ua



4 N.Grinchenko St., tel.: 490-6970(-64), fax: 253-3270



2012 Chamber Official Service Providers

KLS

KLS was founded by a group of professionals with considerable experience in the moving industry. It was created with the aim of rendering moving services for international and Ukrainian companies/organizations, as well as for individuals. Our moving services include: international moving of household goods and personal belongings, office moving, and residence and apartment moving. Our mission is to offer the best quality moving services and to function as a consultant to our customers for any questions related to relocation. Our main task is to help members of the foreign community move their personal belongings to Ukraine and provide them with moving services when they leave Ukraine. Once they use our services, our customers remain with us for years, taking advantage of our friendly attitude, customer-driven approach, flexible management, and high quality. We are proud that among our customers are numerous embassies, international organizations, and leading Ukrainian companies. Moving is a part of our customers' lives and we try to make it as pleasant for our customers as possible. We share with our customers all the good things that moving brings: happiness from finding one's personal possessions in a new country and the joy of a quick and smooth move, and we instill confidence, comfort, and respect. If your business is growing, or if your office premises are uncomfortable, we are at your disposal. Your office move will be painless and even invisible with us. Just show us what needs to be moved and we'll move it! Let professionals take care of your move!

3 Svyatoshynska St.
Kyiv 03115, Ukraine
Phone/Fax: +38 (044) 502-3929
E-mail: kls@kls.ua
Website: www.kls.ua



2012 Chamber Official Service Providers

Kraft Foods Ukraina

Kraft Foods Ukraina is a part of Kraft Foods Inc. and one of the largest food companies in Ukraine, with 1600 employees. Kraft Foods entered the Ukrainian market in 1994, the year it acquired the Ukraina Chocolate Factory in Trostyanets. In 1999, despite the economic downturn in the country, Kraft Foods Ukraina acquired the Stari Petrivtsi salted snacks plant.

KFU products are sold in all Ukrainian cities and towns, as well as in Moldova, Azerbaijan, Belarus, Georgia, Armenia, Russia, Kazakhstan, Uzbekistan, Tadzhikistan, Turkmenistan, and Mongolia.

Its key brands in Ukraine are Korona, Milka, Barni, Tuc; Lyuks, Jacobs, and Carte Noire.

Kraft Foods Ukraina is the leader on the Ukrainian coffee and salted snacks markets with its Lyuks brand.

23A Yaroslaviv Val St.

Kyiv 01034, Ukraine

Phone: +38 (044) 490-1300

Fax: +38 (044) 490-1310

E-mail: kfu.public@krafteurope.com

Website: www.kraftfoods.com.ua



2012 Chamber Official Service Providers

Kyivstar JSC

Kyivstar is a No. 1 telecom operator and one of the best brands in Ukraine. According to Ericsson annual survey Kyivstar runs one of Europe's best mobile networks covering all cities and towns and over 28 thousand villages, national and regional highways and roads, most of sea and river coastlines all over Ukraine. Kyivstar offers EDGE/GPRS service through its whole coverage area and roaming services in 195 countries in 5 continents of the world. Kyivstar operates under "Kyivstar", "djuice" and "Kyivstar Business" brands.

Business users and households enjoy Kyivstar fixed-line services and broadband Internet access based on FTTB. Broadband Internet access offered under Kyivstar's "Home Internet" service operates in 138 cities and the coverage is growing continuously.

Kyivstar represents a Ukraine Business Unit of Vimpelcom Ltd., a global telecom group operating in European, Asian and African markets. For reference please visit:

www.kyivstar.ua,
www.djuice.ua,
www.beeline.ua,
www.vimpelcom.com

53 Dehtyaryivska St.
Kyiv 03113, Ukraine
Phone: +38 (044) 209-0070
Fax: +38 (044) 232-2184
E-mail: info@kyivstar.net
Website: www.kyivstar.ua



KYIVSTAR
Thinking of you



2012 Chamber Official Service Providers

Microsoft Ukraine, LLC

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 its office in Ukraine to develop the software market, promote Microsoft products, and provide partner and customer support, as well as to introduce and localize the newest technologies and implement social initiatives in Ukraine. Microsoft is American Chamber of Commerce Official Business Productivity Provider, ensuring that the Chamber and its members can benefit from the latest Microsoft technologies and solutions. For more information please visit:

<http://www.microsoft.ua>
75 Zhylyanska St.
4th floor
Kyiv 01032, Ukraine
Phone: +38 (044) 496-0310
Fax: +38 (044) 496-0317
E-mail: gmua@microsoft.com
Website: www.microsoft.ua



Microsoft



2012 Chamber Official Service Providers

MTS Ukraine

MTS-Ukraine is a pioneer in mobile communication in Ukraine. The first mobile phone call took place in long-ago 1993. Today, 19 years later, every second Ukrainian uses MTS communication.

MTS-Ukraine is a 100% affiliated company of Joint Stock Company Mobile TeleSystems (MTS), the largest mobile phone operator in the CIS and Central and Eastern Europe. Together with its affiliated companies MTS services over 100 million subscribers in Russia, Ukraine, Belarus, Armenia, and Uzbekistan. The company's profit for 2008 was USD 1,381 billion.

MTS-Ukraine's network covers more than 98% of Ukraine's territory, territory on which lives 99% of the population. Its network services about 19 million subscribers.

MTS constantly supports innovative company status. In particular, the company offers services on the basis of such new technologies as CDMA-450 in Ukraine and 3G (UMTS) in Russia, Uzbekistan, and Armenia. MTS is the first in Ukraine and one of the first in Russia to have started protected corporate e-mail BlackBerry service. In addition, the company continues to work actively in the area of convergent services – a new mobile industry benchmark that provides for the active interconnected coexistence of several communication technologies – for example, mobile and fixed communication, data transmission within the limits of protected corporate networks, high-speed mobile Internet, and more.

For its innovation and high service quality, MTS has received recognition from world experts. In 2008 MTS was the

first and only brand from the CIS to enter into the BRANDZ™ Top 100 Most Powerful Brands, a ranking published by the Financial Times and Millward Brown, a leading global market research and consulting firm (MTS was in 89th place). The brand's value is estimated at \$8.77 bln.

In 2010 the MTS brand was fourth in this rating.

In 2007 MTS-Ukraine joined the United Nations Global Compact network in acknowledgement of its obligations to do business in accordance with universally accepted principles in the areas of human rights, labor, environmental protection, and anti-corruption. The company pays significant attention to principles of social responsibility and to the 10 principles of the United Nations Global Compact. Corporate social responsibility is a major MTS-Ukraine strategic priority. MTS-Ukraine's activity is based on social responsibility before the state, consumers, employees, partners, competitors, and Ukrainian society in general.

15 Leipzigska St.

Kyiv 01601, Ukraine

Phone: +38 (044) 230-0257

Fax: +38 (044) 230-0256

Website: www.mts.com.ua



MTS

a step ahead



2012 Chamber Official Service Providers

NIKO Group of Companies

The NIKO Group of companies have been successfully operating on the Ukrainian market since 1992.

Our key activity lines include:

- automotive business: retail (our dealer network includes 15 dealership centers located in Kyiv, Donetsk, Dnepropetrovsk, Zaporozhye, Lviv, and Chernivtsi; NIKO represents such famous automobile brands as Mitsubishi, Mazda, Nissan, Ford, Renault, Citroën, Peugeot, Infiniti, Audi, and Porsche), service, import and distribution;
- financial sector operations: insurance, leasing, financing and lending, investment and asset management;
- construction; logistics services, custom brokerage, corporate social responsibility.

Major NIKO sponsorship projects:

- NIKO is an official automotive supplier for the Dynamo Football Club (Kyiv).
- NIKO is an official sponsor of the Yalta Rally Cup (European rally championship).
- NIKO is a general sponsor of the Ivan Franko National Drama Theatre and the Kyiv Academic Puppet Theatre
- NIKO is an official sponsor of the annual Bodyguard international tournament.
- NIKO is an official partner of the National Transport University in Kyiv.

Berth #4 Naberezhno-Khreshatytska St.
4th floor, Dnipro-Plaza Business Center
Kyiv 04070, Ukraine
Phone: +38 (044) 200-4111
Fax: +38 (044) 200-4222
E-mail: office@niko.ua
Website: www.niko.ua



2012 Chamber Official Service Providers

Ukraine International Airlines (UIA)

In 2012 UIA celebrates the 20th anniversary.

Ukraine International Airlines (UIA) was established in 1992 to render passenger and cargo air transportation services. UIA highest priority is safe and reliable air transportation combined with high service standards and comfort for passengers.

Ukraine International Airlines connects Ukraine with over 40 capitals and key cities of Europe, Asia, Africa, and CIS providing connections with its international partners' flights to more than 3,000 other destinations worldwide and operates over 700 scheduled flights per week. In 2011 UIA passenger traffic amounted to over 2 million 100 thousand passengers carried. Today tickets for UIA flights are sold in over 70 countries worldwide. Ukraine International Airlines have over 40 representative offices in Ukraine and abroad. The base airport for UIA is Kiev Boryspil International airport.

UIA was the first airline in the former USSR to start operating western-built Boeing-737 aircraft. UIA has also become the first Ukrainian airline to commence operating new Boeing 737-800 NEW GENERATION aircraft. Currently UIA's fleet consists of 20 Boeing 737 aircraft.

UIA was the first airline in the CIS to be included in the IATA quality register and to have obtained an IOSA (IATA Operational Safety Audit Programme) Certificate. This Certificate has been successfully confirmed for the forth time in 2011. This fact confirms that UIA operational and safety

standards are fully in line with international requirements. UIA's Technical Division provides full range of technical maintenance for western-built aircraft.

UIA is a classic European carrier with the main competitive advantages as follows:

- Flexible pricing policy;
- Suitable flight schedule;
- Excellent service;
- Traditional Ukrainian hospitality.

Ukraine International Airlines is a privately owned carrier.

Online ticket sales and reservations along with the latest news are available on the company's website at www.flyUIA

201-203, Kharkivske Shose,
Kyiv 02121, Ukraine
Phone: +38 (044) 581-5656
Fax: +38 (044) 230-8866
E-Mail: Uia@Flyuia.Com
Website: Www.Flyuia.Com



2012 Chamber Official Service Providers

Ukrainian Marketing Group

The Ukrainian Marketing Group® (UMG®) is the leading company of the UMG® Group of companies (UMG®), which also incorporates:

- MEMRB-UMG® Retail Audit Services
- Branding Agency MARKA
- COMCON – Ukraine (U-TGI)
- COMCON – Pharma Ukraine

Today UMG® provides a full range of market research services in Ukraine, all the CIS countries, Western Europe, and the USA.

UMG® conducts all types of ad-hoc market research services. It uses advanced world-wide methods and its own research methodologies, which cover detailed market analysis and brand positions and include:

- Tracking survey (U-Track, TRACE);
- Unique price research (CBC);
- Innovation research;
- Consumer landscape;
- Advertising effectiveness study;
- Advertising testing (Ad just); and more

UMG® experts have professional experience in modern research methods:

- FGDs, in-depth interviews, ethnography studies (observation), in-home visits, accompanied shopping (qualitative);
- F2F, CATI (CATI – center network in five CIS countries), PAPI, CAPI, online panel for consumer surveys via Internet (quantitative);
- desk research, expert surveys, qualitative and quantitative surveys (complex strategic research)

UMG® arranges market research services in accordance with the ICC/ESOMAR international standards of marketing and social research and the AMA code of ethics.

Our experience:

Beiersdorf, Cadbury, XXI Century Investments, Citibank, Coca-Cola, Foxtrot, Furshet, L'Oreal, MTI, Nestle, PepsiCo, Philip Morris, Procter&Gamble, Samsung, Sandora, Telenor, Tetra Pak, MTS, Utel, Veres, Utel, Veres, Vitmark, SABMiller, Soyuz-Viktan, Ukrtelecom, UBRP, and many others.

72 Velyka Vasylykivska St.

Kyiv 03680, Ukraine

Phone: +38 (044) 568-5919

Fax: +38 (044) 568-5924

E-mail: info@umg.com.ua

Website: www.umg.ua



2012 Chamber Official Service Providers

UPS

Founded in 1907 as a messenger company in the United States, UPS has grown into a \$49 billion corporation by clearly focusing on the goal of enabling commerce around the globe. Today UPS is a global company with one of the most recognized and admired brands in the world. As the largest express carrier and package delivery company in the world, we are also a leading provider of specialized transportation, logistics, capital, and e-commerce services. The company's services including small package delivery, heavy freight transportation, and supply chain management, as well as trade financing and customs clearance. It helps companies simplify international trade, streamline worldwide operations, and improve revenue. Every day, we manage the flow of goods, funds, and information in more than 200 countries and territories worldwide.

Today the largest express carrier and largest package carrier in the world, UPS continues to develop the frontiers of logistics, supply chain management, and e-Commerce, combining the flows of goods, information, and funds. It is a company that has never shied away from reinventing itself, as its history demonstrates. Service bill receiver payment terms are now available for Ukraine. We believe that this gives our business and our customers' businesses flexible. All account holders and Chamber members now have the possibility to be invoiced monthly for their export and import volumes.

In 2005 UPS launched a new service in Ukraine- UPS Express Saver, enabling delivery on the next business day to virtually all business areas in the EU as well as in Liechtenstein, Norway, and Switzerland. All UPS customers can trace their shipments by sending an SMS message with the tracking number of the shipment to the mobile number 0504690790. Headquartered in Atlanta, Georgia, USA,

UPS employs 425,300 employees throughout the world. In 2007 its generated revenues exceeded US\$49.7 billion on a total global package volume of four billion. For the twenty-third consecutive year, UPS has been rated "America's Most Admired" company in its industry in a survey conducted by Fortune magazine. UPS was the only company in the survey to score above a 8.38 on Fortune's 10-point scale, and was ranked No.1 in the country for four of the eight attributes or criteria used to rank companies. UPS was ranked No.1 among all companies in quality of management, financial soundness, use of corporate assets, and social responsibility. It ranked No.2 in the country for quality of products and services, No.2 for long-term investment, No.5 for innovation, and No.5 for employee talent.

20 Mechnykova St.

1st floor

Kyiv 01021, Ukraine

Phone: +38 (044) 280-0000

Fax: +38 (044) 280-4164

E-mail: ups2@webber.net.ua

Website: www.ups-ukraine.com



2012 Chamber Official Service Providers

World App, Inc.

WorldAPP is a leading provider of flexible Web-based data collection, integration, and presentation solutions for enterprises in technology, healthcare, education, and other sectors. Fortune 1000 companies worldwide rely on WorldAPP to leverage customer, employee, and market data and solve critical business problems. Unlike pure SaaS vendors, whose business models limit customization, or internal efforts that can't scale, WorldAPP's strategic development team partners with lines of business to rapidly build flexible and extensible point solutions that scale. The company's powerful CORE data collection engine automates complex processes and integrates with best-of-breed and legacy systems, speeding delivery of Web-based customized solutions that make integrated data engineering applications (IDEAS) real.

Company products include and Key Survey Professional Unlimited, Key Survey Workgroup, and Key Survey Enterprise. Professional service offerings include survey scanning, paper surveys, mail services, data entry, and survey design.

Key Survey and Extreme Form are the official licensees of the distinguished TRUSTe Privacy Seal Program and are certified by the EU Safe Harbor Privacy Program, with an authorization to securely host consumer data from any country.

4/8 Kurenivsky Prov.
2nd floor
Kyiv 04073, Ukraine
Phone: +38 (044) 379-1430
Fax: +38 (044) 379-1433
E-mail: info@worldapp.com
Website: www.keysurvey.com

WorldAPP
WEB CENTRIC DATA COLLECTION TECHNOLOGIES

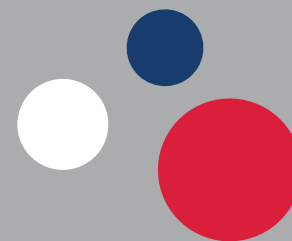




CALENDAR OF CAMBER EVENTS 2012



Calendar of Chamber Events 2012



JANUARY

January 11th

- Meeting of the Economic Reforms Committee under the President of Ukraine

January 12th

- Meeting of the Coordinating Council on Agrarian Reform under the Ministry of Agricultural Policy and Food of Ukraine

January 17th

- Meeting of the Working Group on Improvement of Provisions of the Draft Law "On Internal Trade" under the Ministry of Economic Development and Trade of Ukraine
- Meeting of the Public Council under the State Service of Ukraine on Personal Data Protection

January 18th

- Executive Conference: Natural Gas and Ukraine's Energy Future
- Meeting of the Public Council under the State Agency on Science, Innovation and Informatization

January 19th

- Chamber Traditional "Welcome Back" Business Networking Cocktail

January 20th

- Meeting with Ukrainian Center for Independent Political Research (UCIPR)
- Meeting with Ms. Raisa Moiseyenko, First Deputy Minister of Health of Ukraine

January 24th

- Chamber English Language Movie Premiere "Contraband"

January 25th

- European Bank for Reconstruction and Development's 2011 Transition Report "Crisis and Transition: The People's Perspective"
- Chamber Knowledge Seminar: "Features of Communication Strategies of Large Companies at the National and Regional Levels"

January 30th

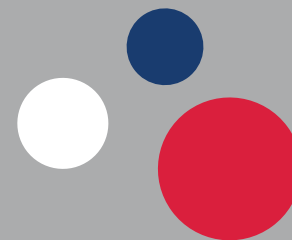
- Chamber Fuel & Energy Committee Meeting with participation of Mr. Volodymyr Ignashchenko, Counselor to the Minister of Ecology and Natural Resources of Ukraine

January 31th

- Chamber Members Appreciation Reception



Calendar of Chamber Events 2012



FEBRUARY

February 2nd

- Meeting of the Parliamentary Committee on Agricultural Policy and Land Relations, Businessmen Council under the Cabinet of Ministers of Ukraine and the Coordinating Council on the Agricultural Reform
- Meeting of the Coordination Council for Regulatory Affairs of Pharmaceutical Sector under the Ministry of Health of Ukraine

February 7th

- Meeting of the Public Council under the National Commission of Ukraine for Communications Regulation
- Working Meeting of the Chamber Board of Directors with Mr. Valeriy Khoroshkovskiy, Minister of Finance of Ukraine

February 8th

- Chamber "Asian New Year" Business Leaders League Meeting
- Meeting of the Working Group on Grain Market Functioning under the Ministry of Agricultural Policy and Food of Ukraine

February 10th

- Meeting with the Mr. Yevgen Udod, Head of the Dnipropetrovsk Regional Council
- Chamber Meeting with Officials of Lviv Region State Administration
- Meeting on Chamber Energy Forum

February 13th

- Chamber "In-Focus" Meeting with Mr. Igor Kaletnik, Head of the State Customs Service of Ukraine

February 14th

- Chamber Working Meeting with Mr. Vitaliy Khomutnyk, Head of the Verkhovna Rada Committee on Finance, Banking, Tax and Customs Policy
- Chamber Knowledge Seminar: "International Structuring as Effective Tool for Ukrainian Business"

February 15th

- Chamber Tax Committee Meeting with participation of Ms. Kseniya Lyapina, People's Deputy of Ukraine

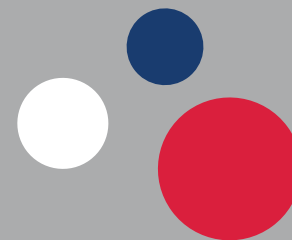
February 20th

- Chamber Working Meeting with the State Inspection on Consumer Rights Protection of Ukraine
- Chamber Banking and Financial Services Committee Meeting with participation of Ms. Galyna Pahachuk, Director of State Debt and International Financial Policy Department, Ministry of Finance of Ukraine



Chamber Family Event Maslyana

Calendar of Chamber Events 2012



FEBRUARY

February 21st

- Chamber Knowledge Seminar: "PwC Global Economic Crime Survey 2011: Results for Ukraine"
- International Investment Forum "Kyiv Region 2012: Innovations. Initiative. Investments. Infrastructure"
- Chamber "Mardi Gras" Business Networking Cocktail
- State Department Global Business Conference (Washington DC, USA) – February 21st - 22nd

February 23rd

- Meeting of the Commission on Pharmaceutical Sector Development of the Public Council under the Ministry of Health of Ukraine

February 24th

- Chamber Training Program: "Effectiveness Beyond Time"
- Discussion on Updated Business Centers Classification
- Chamber Healthcare Committee Meeting with Representatives of the Ministry of Economic Development and Trade of Ukraine
- Chamber Customs Committee Meeting with participation of Mr. Sergey Bedash and Mr. Oleksiy Lishenko – Representatives from the Ministry of Finance of Ukraine

February 25th

- Chamber Family Event "Maslyana"

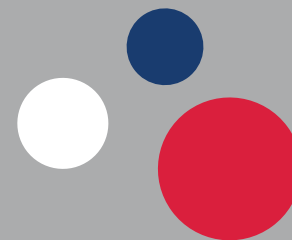
February 28th

- Adam Smith Energy Forum



Chamber HR Committee Meeting

Calendar of Chamber Events 2012



MARCH

March 1st

- Chamber IPR Committee Meeting with participation of Mr. Oleh Lashchuk, President of the Federation of Franchising Development, Hospitality and Infrastructure – March 1st
- Chamber Tax Committee Strategic Planning Session
- Meeting of Economic Council under the Ukrainian Union of Industrialists and Entrepreneurs
- Meeting of the Public Council under the State Service on Medicinal Products

March 2nd

- Chamber Joint Healthcare and IPR Committees Meeting with participation of Mr. Vasyl Blikhar, Director of the State Expert Center under the Ministry of Health of Ukraine
- Statutory Meeting of the Public Council under the National Commission for the State Regulation of Communications and Informatization

March 5th

- Working meeting with Mr. Oleksandr Klymenko, Head of the State Tax Service of Ukraine

March 7th

- Chamber Leadership Seminar: “Voices of Change”

March 12th



chamber tv

- Round Table “Institutionalization of Lobbying in Ukraine: Prospects for Adoption of Legislation”

March 13th

- Working Meeting under the Ministry of Health of Ukraine

March 14th

- Adam Smith 4th Annual Forum “Agribusiness in Ukraine”
- Working Meeting with Mr. Olexandr Klymenko, Head of State Tax Service of Ukraine

March 15th

- International Conference “Strategic Areas for Development of Accounting, Analysis and Audit”
- Celebration of World Consumer Rights Day organized by the State Inspection of Ukraine for Consumer Rights Protection
- Working Meeting with Mr. Anatoliy Blyzniuk, Minister of Regional Development, Construction and Municipal Economy of Ukraine
- Chamber “St. Patrick’s Day” Business Networking Cocktail

March 16th

- Round Table “Harvest 2012” (Dnipropetrovsk)

March 17th

- Chamber Animated English Language Movie Premiere “The Lorax”

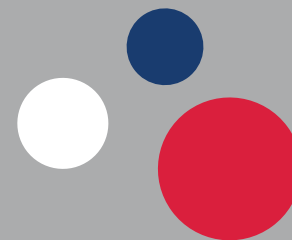
March 20th



chamber tv

- Participation in the festivities on the occasion of the 20th Anniversary of the Ukrainian League of Industrialists and Entrepreneurs
- Meeting of the Public Council under the State Customs Service of Ukraine
- Round Table Discussion “Labor Remuneration - Ukrainian Reality and Expected Reforms” under the Parliamentary Committee on Social Policy and Labor

Calendar of Chamber Events 2012



MARCH

March 21st



- Meeting of the Public Council on Strategic Development of Kyiv 2025
- Signing of the Memorandum of Understanding with Ms. Oleksandra Kuzhel, Analytical Center "Akademia"

March 23rd

- Chamber Training Seminar: "The Art of Networking"
- Chamber Customs Committee Meeting with participation of the representatives of the State Customs Service of Ukraine
- Meeting with Mr. Oleksiy Mervinsky, Head of the State Service on Personal Data Protection of Ukraine
- Meeting of the Council of Entrepreneurs under the Cabinet of Ministers of Ukraine

March 27th

- Chamber Fuel & Energy Committee Meeting with participation of the representatives from the Economic Reforms Coordination Center mandated by the President of Ukraine
- Meeting with Mr. Oleg Sheyko, Adviser to the Vice Prime Minister - Minister of Social Policy Sergiy Tigipko
- Working Meeting at the State Customs Service of Ukraine

March 28th

- Diplomatic Insiders Club Meeting
- Working Meeting in the Parliamentary Committee for Finances, Banking Operation, Tax and Customs Policies

March 29th

- First Kyiv Investment Forum
- Forum on Implementation of Production Certification and Good Manufacturing Practices (GMP) Compliance in Ukraine
- Meeting of the Commission on Pharmaceutical Sector Development of the Public Council under the Ministry of Health

March 30th

- LNG-Terminal National Project Feasibility Study at State Agency for Investment and National Projects of Ukraine
- International Conference "Crisis of Eurozone and Implications for Ukraine"
- Meeting with the representatives of the Ukrainian National Committee of the International Chamber of Commerce (ICC Ukraine)

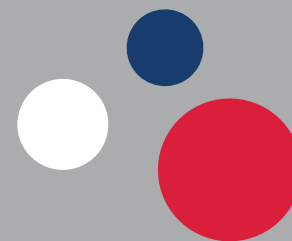
- XI Annual Chamber Indoor Football Tournament

March 31st



Diplomatic Insiders Club Meeting

Calendar of Chamber Events 2012



APRIL

April 2nd

- First meeting of the Joint Chamber and State Tax Service of Ukraine Working Group on Tax Loss Carry Forwards

April 4th

- Meeting at the Kyiv City State Administration
- National Projects Presentation

April 6th

- First meeting of the Joint Chamber and State Tax Service of Ukraine Working Group on Transfer Pricing
- Meeting at the Kyiv City State Administration –
- Meeting of the Chamber Working Group on Personal Data Protection with participation of Mr. Volodymyr Kozak, Deputy Head of the State Service of Ukraine on Personal Data Protection –
- Regular meeting of the Public Council under the Ministry of Finance of Ukraine
- Travel with the Chamber – Explore Hidden Treasures of Georgia! Part II

April 7th

- Chamber Family Event “Easter Egg Hunt”

April 10th

- Meeting of the Public Council under the Ministry of Health of Ukraine
- Chamber Knowledge Seminar: “Distribution Arrangements and Compliance Issues”
- Presentation of the Chamber Regional Competitiveness Pilot Project at the joint Roundtable organized by the Foundation for Effective Governance, the Chamber and Kharkiv Oblast State Administration

- Meeting with Mr. Solovyov, State Service on Medicinal Products

- Meeting with Mr. Dmytro Polishchuk, Head of the Kyiv Regional Customs Office

- Chamber Business Leaders League Meeting: Fairmont Grand Hotel Kyiv Housewarming Reception

April 12th



- Chamber “In-Focus” Meeting with Mr. Petro Poroshenko, Minister of Economic Development and Trade of Ukraine

April 17th

- Chamber Knowledge Seminar: “Tax evasion - In Light of Court Practice”

April 18th

- Meeting of the Chamber Working Group on Personal Data Protection with participation of Mr. Volodymyr Kozak, Deputy Head of the State Service of Ukraine on Personal Data Protection

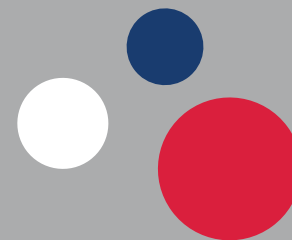


- Chamber PR Club Meeting: “Strategies and Cases of Crisis Communications”

April 19th

- Adam Smith Ukraine Investment Summit (London, UK) - April 19th-20th
- Chamber Marketing Club: “Instant Sales vs. Brand Loyalty”
- Round Table on Problematic Issues of Representative Offices of Foreign Companies in Ukraine
- Workshop on Modernization of the State Tax Service of Ukraine
- Open Society Forum

Calendar of Chamber Events 2012



APRIL

April 20th

- Meeting with Ms. Raisa Bohatryyova, Deputy Prime Minister; Minister of Health of Ukraine ; Mr. Oleksiy Solovoy, Head of the State Service on Medicinal Products; and Mr. Mykhaylo Brodsky, Chairman of the State Service for Regulatory Policy and Entrepreneurship Development
- Third Workshop for the State Customs Service of Ukraine: Customs Valuation and Audit Procedures

April 23rd

- Meeting of the Chamber Working Group on Internal Trade with Ms. Olga Sokolova, Deputy Head of the State Inspection on Consumer Rights Protection of Ukraine; Mr. Sergii Kyianychnenko, Head of Market Surveillance Division; and Mr. Igor Garbaruk, Director of the Department of Trade Development of the Ministry of Economic Development and Trade of Ukraine
- Chamber Roundtable "EURO 2012: Business And Society Security during the Finals" April 24th
- Meeting of the Economic Reforms Committee under the President of Ukraine
- Fifth Session of the National Convention on the EU in Ukraine Working Group "Ukraine – EU: On the Way to Free Trade Agreement"
- FEG Discussion on EU integration vs. Customs Union
- Chamber HR Committee Meeting with participation of Dr. Lilia Hrynevych, Advisor to MP Arseniy Yatsenyuk and Dr. Yaroslav Bolyubash, Advisor to the Minister of Education, Science, Youth and Sports of Ukraine

April 26th

- Chamber Real Estate Committee Meeting with participation of Ms. Tetyana Symchyshyna, Head of Department on Legal Support of Land Market and Assessment of Land, State Agency of Land Resources
- Spring Business Forum 2012 in Lviv and Signing the Memorandum of Understanding with the Lviv City Council – April 26th-27th
- Chamber "Blossoming Spring" Business Networking Cocktail

April 28th

- Meeting on price registration for medicinal products under the Ministry of Health of Ukraine



*Business Leaders
League Meeting in
Fairmont Grand
Hotel*

Calendar of Chamber Events 2012

MAY

May 3rd

- Meeting with Mr. Volodymyr Shchelkunov, Chairman of the Ukrainian National Committee of the International Chamber of Commerce (ICC Ukraine)

**May 7th -
May 11th**

- European Council of the American Chambers of Commerce (Washington DC, USA)

May 10th

- Meeting of the Chamber Personal Data Protection Working Group with participation of Mr. Volodymyr Kozak, Deputy Head of the State Service of Ukraine on Personal Data Protection

May 11th

- III Professional Conference "Issues of Intellectual Property Rights Protection and Fair Competition Principles in the Alcohol, Food and Tobacco Industries"

May 14th

- Working meeting under the Ministry of Health of Ukraine with participation of Ms. Yanina Tolkachova, Head of the Section on Price Declaration of Medicinal Products and Cooperation with Pharmaceutical Producers of the Pharmaceutical Sector Development Department, Ministry of Health of Ukraine

May 15th

- Meeting with Mr. Anatoliy Maksyuta, First Deputy Minister of Economic Development and Trade of Ukraine
- Meeting at the Ministry of Social Policy of Ukraine
- Chamber "In-Focus" Meeting with Mr. Sergiy Titenko, Head of the National Commission for State Energy Regulation of Ukraine (NERC)
- Meeting of the Working Group on Democracy and Rule of Law under the US-Ukrainian Strategic Partnership Commission
- Chamber English Language Movie Premiere "Dark Shadows"



May 16th



- Special Chamber Customs Committee Meeting "New Customs Code of Ukraine: the American Chamber of Commerce in Ukraine Contribution to its Development"

May 17th

- Chamber Knowledge Seminar: "Best Corporate Practices on Compliance with FCPA, UK Bribery Act and Ukrainian Anticorruption Legislation"
- Chamber Knowledge Seminar: "PPP-Projects: Legal Status-Quo for 2012"

May 22nd

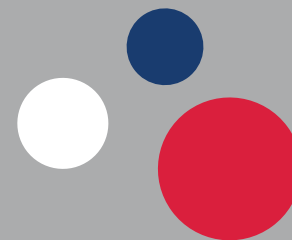
- Meeting with Mr. Serhii Tymchenko, State Agency of Land Resources of Ukraine

May 23rd

- Working meeting on grain inspection issues under the State Agricultural Inspection chaired by Mr. Victor Kirichenko, Director of Quality Control and of Agricultural Products and Declaration
- Seminar "Central European Automobile Cluster: Lessons for Ukraine"



Calendar of Chamber Events 2012



MAY

May 24th



- Chamber Knowledge Seminar: "Tax Evasion - In Light of Court Practice"
- International Conference "GR Congress 2012. Ukraine: an Effective Dialogue between Business and Government"
- Chamber "In-Focus" Meeting with Mr. Mykola Prysyazhnyuk, Minister of Agricultural Policy and Food of Ukraine
- Regional Workshop on Shale Gas Exploration and Extraction
- Chamber "Welcome Summer" Business Networking Cocktail

May 25th

- Conference "Investment Climate in the Agricultural Sector of Ukraine"
- Round Table "Natural Gas and Energy Future of Ukraine" organized by the Ministry of Energy and Coal Industry of Ukraine

May 28th

- Signing the Memorandum of Cooperation with the Ukrainian League of Industrialists and Entrepreneurs

May 29th

- Chamber Fuel and Energy Committee Meeting with participation of Ms. Kseniia Liapina, People's Deputy of Ukraine
- Diplomatic Insiders Club Meeting with participation of Mr. Yuriy Kolobov, Minister of Finance of Ukraine
- III European-Ukrainian Energy Day

May 30th

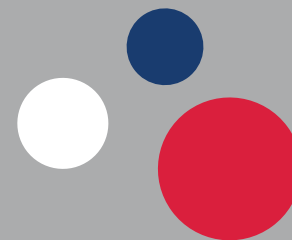
- Meeting with the State Customs Service of Ukraine Leadership

May 31st

- Chamber Knowledge Seminar: "How to Become a "Blue Chip" on the Ukrainian Stock Market"
- Chamber Knowledge Seminar: "Current Issues of Taxation of Representative Offices of Non-Resident Companies"
- Roundtable with FEG and Region State Administration in Odesa



Calendar of Chamber Events 2012



JUNE

June 1st

- Meeting with Mr. Sergiy Tigipko, Vice Prime Minister - Minister of Social Policy of Ukraine in the framework of Alfa-Jazz Event
- Chamber COI Event: Alfa Jazz Fest with the Chamber

June 5th

- Special Chamber Healthcare Committee Meeting with Mr. Nesterchuk, Head of the State Expert Center under the Ministry of Health of Ukraine

June 6th

- Official Ceremony of Signing the Memorandum of Understanding with the Committee on Finance and Banking, Taxation and Customs Policies of the Verkhovna Rada of Ukraine
- Civic Forum within the Ukraine 2020 Policy Dialogue Supporting Ukraine's European Integration Initiative
- XI International Conference "Grain Forum - 2012: Production, Processing, Trading" – June 6th-8th

June 7th

- Second Plenary Session of the Domestic and Foreign Investors Advisory Council under the President of Ukraine
- Meeting of the Chamber Working Group on Personal Data Protection with participation of Mr. Volodymyr Kozak, Deputy Head of the State Service of Ukraine on Personal Data Protection
- Meeting of the Commission on Pharmaceutical Sector Development of the Public Council under the Ministry of Health

June 8th

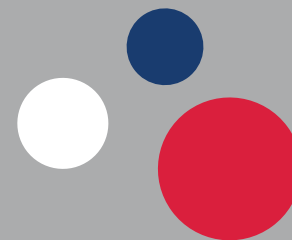
- Official Ceremony of Signing the Memorandum of Understanding with the International Chamber of Commerce in Ukraine
- Roundtable Discussion "Authorized Economic Operators: New Opportunities for Business Community"
- Joint Meeting of Associations Representing International Pharmaceutical Producers in Ukraine

June 12th

- Chamber Government Faced Knowledge Seminar "Improvement of the Pricing System in the Electricity Sector: Implementation of the Incentive Tariff Methodology aimed to Increase Activity Efficiency and Renewal of the Base Funds of the Electricity Enterprises" –
- Chamber Customs Committee Leadership Meeting with Mr. Sergii Siomka, Director of Department of Organization of Customs Control and Clearance
- Public Presentation of the State Agency for Investment and National Projects of Ukraine "Drawing the Investment Image of Ukraine: First Summary of Investments in Ukraine's Activities"



Calendar of Chamber Events 2012



JUNE

June 14th

- Roundtable Discussion “The New Customs Code of Ukraine Implementation” at the State Customs Service of Ukraine with participation of Mr. Igor Kaletnik, Head of the State Customs Service of Ukraine and Mr. Vitaliy Khomutynnik, Head of the Parliamentary Committee on Finance and Banking, Taxation and Customs Policies
- Chamber Healthcare and Customs Committees Joint Meeting with participation of representatives of the State Customs Service of Ukraine, Kyiv Regional Customs Office, and State Expert Center under the Ministry of Health of Ukraine
- Meeting at the Parliamentary Committee on Finance and Banking, Taxation and Customs Policies chaired by Mr. Valeriy Dombrovsky, Committee’s Chief of Secretariat
- Meeting of the ICC Commission on Green Investments, Energy Efficiency and Renewable Sources of Energy

June 18th

- Expert Toloka “Energy Inefficiency: Why Are We Still Warming up the Asphalt?”
- Joint Logistics & Transportation and Agricultural Committees Meeting with participation of Mr. Oleksandr Kondrat, Deputy Director of the Department of Economics and Finance, Ministry of Infrastructure of Ukraine

June 20th

- Chamber English Language Movie Premiere “Rock of Ages”

June 21st



- Chamber “In-Focus” Meeting with H.E. Ambassador Michael Borg-Hansen, Royal Danish Embassy



- Chamber “In-Focus” Meeting with Mr. Mykhailo Brodskyi, Head of the State Service of Ukraine for Regulatory Policy and Entrepreneurship Development and with participation of Mr. Oleksii Soloviov, Head of the State Service of Ukraine on Medicinal Products

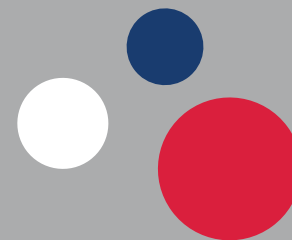
- Chamber “Life on Top” Business Networking Cocktail

June 26th

- Meeting of the Chamber Working Group on Personal Data Protection with participation of Mr. Volodymyr Kozak, Deputy Head of the State Service of Ukraine on Personal Data Protection



Calendar of Chamber Events 2012



JULY

July 4th

- Chamber Fuel & Energy Committee Meeting with participation of Mr. Sergiy Titenko, Head of the National Commission for State Energy Regulation of Ukraine and representatives of the Parliamentary Committee on Fuel and Energy Complex, Nuclear Policy and Nuclear Safety

July 5th



- Chamber Knowledge Seminar: "Technologies to Increase Efficiency and Reduce Costs of Operating Corporate Fleets"
- Chamber "In-Focus" Meeting with Mr. Oleksandr Klymenko, Head of the State Tax Service of Ukraine
- Chamber "In-Focus" Meeting with Mr. Serhii Biriuk, Member of the National Commission for State Regulation of Financial Services Markets

July 7th

- Annual Charitable American Independence Day Picnic 2012

July 9th-13th

- Chamber Summer School "Competitiveness of Ukraine and Switzerland"

July 11th

- Chamber Food & Beverage Committee Opening Meeting
- Chamber Healthcare Committee Meeting with participation of Mr. Oleksii Soloviov, Head of the State Service of Ukraine on Medicinal Products

July 12th

- Briefing on the new Concept of Tax System Reformation presented by the State Tax Service of Ukraine

July 13th

- Meeting of the Working Group on Development of Draft CMU Resolutions on Pharmaceutical Sector Matters under the Ministry of Health of Ukraine

- Meeting of the Working Group on Healthcare Legislation Development under the Ministry of Health of Ukraine

- Meeting of the Sub-Working Group of the Working Group for Developing Recommendations in Respect to Further Improvement of Legislation on Subsoil Issues headed by Mr. Volodymyr Ignashchenko, Adviser to the Minister of Ecology and Natural Resources of Ukraine, Member of the Interdepartmental Commission Responsible for Execution of Production Sharing Agreements

July 16th

- Conference Call between the experts of the U.S. Department of Commerce and the Chamber Working Group on Personal Data Protection with participation of Mr. Volodymyr Kozak, Deputy Head of the State Service of Ukraine

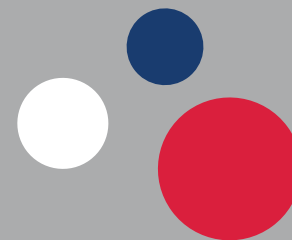
July 17th

- Joint Meeting of Representatives of the Chamber Tax Committee and the State Tax Service of Ukraine
- Regular Meeting of the Working Group on the Draft Law #9443 "On Internal Trade" under the Ministry of Economic Development and Trade of Ukraine

July 19th

- Meeting between the Ministry of Health of Ukraine and pharmaceutical producers headed by Mr. Roman Bogachov, Deputy Minister of Health of Ukraine and Mr. Mykhailo Nesterchuk, Head of the State Expert Center under the Ministry of Health of Ukraine
- Meeting with Mr. Voznyi, State Department for Environment Protection
- Chamber "Independence Day Picnic After-party" Business Networking Cocktail

Calendar of Chamber Events 2012



JULY

July 23rd

- Meeting under the Ministry of Health of Ukraine with participation of Ms. Liudmyla Konoshevykh, Head of the Pharmaceutical Sector Development Department, MoH, Mr. Mykhailo Nesterchuk, Head of the State Expert Center under the MoH, and Mr. Oleksii Soloviov, Head of the State Service of Ukraine on Medicinal Products
- Press Conference "The New Customs Code in Action: First Results" with participation of Mr. Serhiy Siomka, Head of the Department of Customs Control and Documentation and Member of the Collegium of the State Customs Service of Ukraine, Mr. Dmytro Polishchuk, Head of the Kyiv Regional Customs Office and Mr. Ihor Dankov, PwC, Chamber Customs Committee Co-Chair
- Meeting of the Public Council under the Ministry of Health of Ukraine

July 24th

- Regular Meeting of the Working Group on the Draft Law #9443 "On Internal Trade" under the Ministry of Economic Development and Trade of Ukraine

July 25th

- Round Table on the Draft Law #9443 "On Internal Trade" organized by the Ukrainian Federation of Employers

July 27th

- Meeting under the State Service of Ukraine for Regulatory Policy and Entrepreneurship Development of Ukraine with participation of the representatives of the State Veterinary and Phytosanitary Service, State Agricultural Inspection, and Ministry of Ecology and Natural Resources of Ukraine

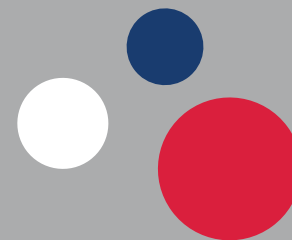
- Meeting regarding Introduction of Voluntary Certification for Grain Warehouses and Grain Quality for Internal Shipments hosted by the State Service of Ukraine for Regulatory Policy and Entrepreneurship Development of Ukraine
- US Trade and Investment Council (Washington DC) – July 30th-August 3rd

July 31st

- Signing the Addendum to the Memorandum of Understanding between the Ministry of Agricultural Policy and Food of Ukraine and Legal Entities – Grain Exporters with Mr. Mykola Prysiashniuk, Minister of Agricultural Policy and Food of Ukraine



Calendar of Chamber Events 2012



AUGUST

August 1st ● Chamber “The Dark Knight Rises” English Language Movie Premiere

August 3rd ● Meeting under the Ministry of Health of Ukraine

August 4th ● VIII Chamber Paintball Tournament

August 8th ● Meeting of the Public Council under the State Service on Medicinal Products

August 10th ● Regular Meeting of the Working Group on the Draft Law #9443 “On Internal Trade” under the Ministry of Economic Development and Trade of Ukraine

August 14th ● Second Conference Call between the experts of the U.S. Department of Commerce and the Chamber Working Group on Personal Data Protection including Mr. Volodymyr Kozak, Deputy Head of the State Service of Ukraine

August 15th ● Meeting of the Working Group on Development of the Normative Acts under the Ministry of Health of Ukraine

August 16th ● Extended meeting of the Working Group on Organizational and Technical Preparation for the Introduction of Transparent Mechanisms for Private Investors to Operate Port Facilities under the Ministry of Infrastructure of Ukraine

● Chamber Annual Tropical Boat Cruise

August 17th ● Meeting of the Working Group on Development of the Normative Acts under the Ministry of Health of Ukraine

August 22nd ● Meeting of the Working Group on Preparing Amendments to the Law on Automobile Transport under the Ministry of Infrastructure of Ukraine

August 23rd ● Working meeting with one of the co-authors of the Law of Ukraine “On Foundations of State Language Policy” Mr. Ruslan Bortnik

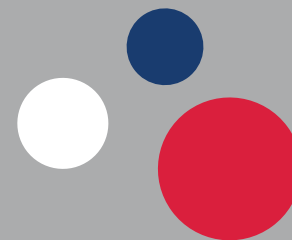
● Meeting under the Ministry of Health of Ukraine devoted to the development of regulation of products with codeine

August 29th ● Meeting in Economic Reforms Coordination Center mandated by the President of Ukraine



Chamber Paintball Tournament

Calendar of Chamber Events 2012



SEPTEMBER

September 3rd ● Signing the Annex #1 to the Memorandum of Understanding between the Ministry of Agricultural Policy and Food of Ukraine and organizations that represents grain traders

September 4th ● Chamber Customs Committee Leadership meeting with Mr. Oleg Sheyko, Deputy Head of the State Service of Ukraine for Regulatory Policy and Entrepreneurship Development

● Meeting of the Working Group on Development of Normative Acts under the Ministry of Health of Ukraine

● Public Discussion “State Budget and the New Customs Code: How to Increase Revenues to the Treasury and Prevent Price Increases for Imported Goods?”

● Chamber English Language Movie Premiere “The Bourne Legacy”

September 5th ● Round Table “Ukraine on the Way to the European Rules of Electricity Market Operation”

● The Chamber’s 20th Anniversary Gala Celebration

September 6th ● Meeting of the Economic Reforms Committee under the President of Ukraine

September 7th ● ICC Ukraine National Forum “Innovations, Efficiency and Competitiveness”

September 11th ● Chamber Fuel & Energy Committee meeting with participation of Ms. Kseniya Lyapina, People’s Deputy of Ukraine

September 12th ● Chamber Knowledge Seminar: “Results of UAPR Survey: PR Practices of Leading Companies in Ukraine 2012”

September 13th ● Chamber Knowledge Seminar: “Transforming Outsourcing of the Finance Function”

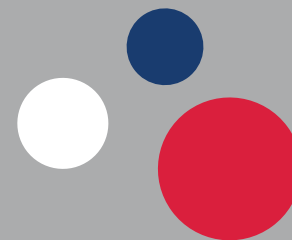
● Meeting with Mr. Ruslan Bortnik, Co-Author of the Law of Ukraine “On Foundations of State Language Policy”

● Meeting of the Commission on Pharmaceutical Sector Development of the Public Council under the Ministry of Health of Ukraine



Chamber Agricultural Committee Meeting

Calendar of Chamber Events 2012



SEPTEMBER

September 14th ● Chamber Agricultural Committee Leadership meeting with Mr. Yuriy Marchuk, First Deputy Head of Agricultural Inspection

● Chamber meeting with representatives of the State Tax Service of Ukraine

September 18th ● Chamber "Expert View" Meeting with Anders Åslund, Senior Fellow of the Peterson Institute for International Economics, Washington, DC

September 20th ● Special Chamber HR Committee meeting with participation of Ms. Maryna Lazebna, Director of Department of Labor Market and Employment of the Ministry of Social Policy of Ukraine



● Chamber Traditional "Welcome Back" Business Networking Cocktail

September 21st ● Chamber Knowledge Seminar: "How to Get Most Benefit from Your Annual Training Program"

● Meeting of the Working Group on Development of Normative Acts under the Ministry of Health of Ukraine

September 25th ● Working meeting regarding practical implementation of provisions of the Memorandum of Understanding between the Ministry of Agricultural Policy and Food of Ukraine and organizations that represent grain traders

September 26th ● Working meeting with Ukrainian Association of International Economics

● Round Table "Kyiv – Touristic Future" under Kyiv City State Administration

September 27th ● International Conference "Ukraine: Win with IT"

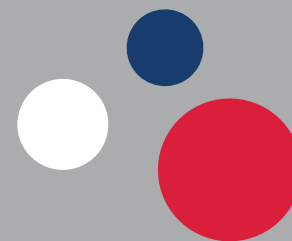
September 28th ● Special Chamber Healthcare Committee Meeting with participation of Mr. Ruslan Bortnik, one of the Co-Authors of the Law of Ukraine "On Foundations of State Language Policy" and representatives of the State Service of Ukraine on Medicinal Products, State Expert Center under the Ministry of Health of Ukraine, Association "Manufactures of Medications of Ukraine," and All-Ukrainian Council for Patients' Rights and Safety

● Working Meeting with Road Safety Association



Chamber's 20th Anniversary Gala Celebration

Calendar of Chamber Events 2012



OCTOBER

October 2nd

- Chamber Hospitality and Tourism Committee meeting with participation of Dr. Michael Hamalij and Mr. Artem Sadomov, Kyiv City State Administration; Ms. Svitlana Meita and Ms. Tetiana Hryshukova, State Agency of Ukraine for Tourism and Resorts
- Expert Seminar “Personal Data Protection in the Environment of Information and Communication Technologies (ICT)”

October 3rd

- US Ambassador’s Forum with Mr. Edward C. Chow, International Energy Expert and Senior Fellow in the Energy and National Security Program at the CSIS
- PPP Expert Center Meeting

October 4th

- ICC Ukraine BASCAP Initiative meeting

October 5th

- Roundtable Discussion “Reform of the Taxes and Fees Payment System in Light of International Experience”
- Meeting of the Working Group on Functioning of Grain Market under the Ministry of Agricultural Policy and Food of Ukraine

October 6th

- Chamber Gourmet Family Day
- XI Chamber Annual Outdoor Football Tournament

October 9th

- Seminar on Free Trade Agreement between Ukraine and the European Free Trade Association organized by the Ministry of Economic Relations and Trade of Ukraine and EFTA Secretariat
- Chamber English Language Movie Premiere “Savages”

October 11th

- Public Discussion “Investment and Business Climate in Ukraine: Whether Substantial Improvements Have Happened during the Last Six Months?”
- III Luhansk International Investment Forum – October 11th-13th

October 15th-17th

- V International Anniversary Ukrainian Pharmaceutical Forum

October 16th

- II Ukrainian Grain Congress

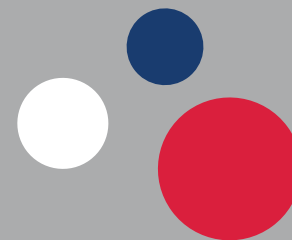
October 18th

- “Support Your Local Chamber of Commerce Day” Business Networking Cocktail



PR Club Meeting

Calendar of Chamber Events 2012



OCTOBER

October 20th

- Chamber CSR Event “Who Let the Dogs Out?”

October 24th

- Special Chamber Telecommunications Working Group Meeting with representatives of the National Commission for the State Regulation of Communications and Informatization (NCSRCI)
- Chamber Toastmasters Club Meeting

October 25th



- Chamber “Expert View” Meeting with Dr. Valeriy Pyatnitskiy, Ukrainian Government Commissioner for European Integration



- Chamber PR Club Meeting: “Social Media as a Tool of Companies Communications”

October 26th

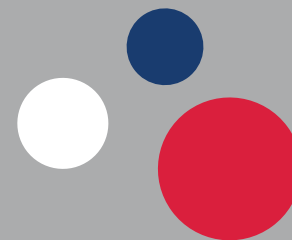
- Chamber Food and Beverage Committee Meeting with the Deputy Head of the State Veterinary and Phytosanitary Service of Ukraine

October 31st

- Chamber “Halloween Haunted House” Costume Party



Calendar of Chamber Events 2012



NOVEMBER

November 1st ● Presentation of the National Project “Air Express” – “Kyiv Ring Road” Feasibility Study

November 2nd ● Working Meeting of Industry Associations with Representatives of the State Expert Center under the Ministry of Health of Ukraine

November 3rd ● Chamber “Haunted House” Family Event

November 8th ● Presentation on the Best Practices Related to the Successful Reorganization of the Georgian Food & Beverage Industry
● Chamber Information and Communication Technologies Committee Meeting

November 9th ● Chamber Agricultural Committee Meeting

November 11th ● First Chamber Squash Tournament

November 12th ● Working Meeting of Industry Associations with Mr. Roman Bogachev, Deputy Minister of Health of Ukraine, Mr. Mykhailo Nesterchuk, Head of the State Expert Center under the Ministry of Health of Ukraine, and Mr. Dmytro Pidturkin, Adviser to the Minister of Health of Ukraine

November 14th ● First Meeting of the Working Group on IPR Issues and Access to Medicinal Products under the Ministry of Health of Ukraine

November 15th ● Meeting Devoted to New Legislative Initiatives Envisaging Tax Rates for Manufacturers and Importers of Packaging and of Packed Goods
● Chamber Tax Committee Meeting

November 20th ● 2012 Efficient Consumer Response Ukraine Conference
● Chamber “Get to Know the Candidates” BusinessNetworking Cocktail

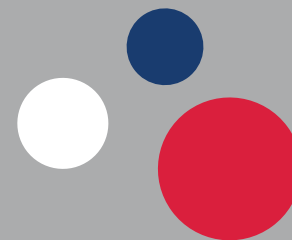


November 21st ● Chamber Hospitality and Tourism Committee Meeting

November 23rd ● Chamber Food and Beverage Committee Steering Committee Meeting
● Chamber Antimonopoly Working Group Meeting
● Meeting Devoted to the Right of Taxpayers operating in the Agricultural Sphere for Using Special VAT Treatment in Terms of Unregistered Land Lease Agreements
● Working meeting with Mr. Mykola Prysiashniuk, Minister of Agricultural Policy and Food of Ukraine
● Chamber meeting in the Ministry of Ecology and Natural Resources of Ukraine



Calendar of Chamber Events 2012



NOVEMBER-DECEMBER

- November 26th**
- Chamber Healthcare Committee Meeting
 - Chamber Banking and Financial Services Committee Meeting
 - Signing the Memorandum of Understanding with the State Service on Personal data Protection of Ukraine

- November 28th**
- Chamber COI Event Holiday Wine Tasting

- November 29th**
- Chamber HR Committee Meeting

- December 2nd**
- Chamber Experimental Lab for Kids

- December 4nd**
- Chamber "In-Focus" Meeting with Mr. Sergiy Tymchenko, Head of State Agency for Land Resources of Ukraine
 - Chamber Knowledge Seminar: "Tax Incentives for the IT Industry: Their Essence and Mechanism of Their Application"

- December 5th**
- Chamber Toastmasters Club Meeting

- December 6th**
- Chamber "In-Focus" Meeting with Mr. Petro Yatsuk, Head of the National Commission for the State Regulation of Communications and Informatization
 - Holiday Business Leaders League Meeting

- December 7th**
- Chamber Marketing Club

- December 12th**
- 2012 Chamber Annual General Membership Meeting and Competitiveness Partnership Report Presentation

- December 19th**
- Chamber "St. Nicholas" Business Networking Cocktail





CHAMBER SUCCESS STORIES IN 2012



Chamber Policy Related Success Stories in 2012

In 2012 the Chamber Policy Team worked hard to generate wins, progress, and engagements in practically every aspect of Chamber policy activities on behalf of and in the interests of our Membership. The Chamber successfully advocated for a number of progressive pieces of legislation and regulations to continue the implementation of reforms aimed at attracting investments. This is crucially important for ensuring that the Ukrainian economy becomes more competitive.

- The extensive Chamber Fuel and Energy Committee lobbying campaign and high level policy dialogue with key Ukrainian decision makers resulted in the announcement of two tenders to conclude production sharing agreements (PSA) for shale and natural gas, coalbed methane, crude oil, and condensate on 6,324 square kilometers of Oleska field and 7,886 square kilometers of Yuzivska field. Later, on February 23, 2012, official announcements on “Holding Tenders for Concluding Hydrocarbon Sharing Agreements to be Produced within the Oleska and Yuzivska Fields” were published in the newspaper “Uryadoviy Kur’yer.” On May 16, 2012 Mr. Eduard Stavytsky, Minister of Ecology and Natural Resources of Ukraine, announced the official results of the tenders. The Chamber has devoted massive effort to developing recommendations and proposals about the legislative acts regulating the procedures for PSA tenders, recommendations and proposals that have been taken into account by the Ukrainian government.

- On January 10, 2012 Law #4196-VI “On Amendments to Certain Healthcare Legislation Regarding Strengthening Control over Turnover of Medicinal Products, Food Products for Special Dietary Consumption, Functional Food Products and Dietary Additives,” which contributes to regulating state control over the quality of medicinal products and the advertising of medicines and medical devices, was signed by the President of Ukraine. The Chamber welcomes this compromise Law, considering that its initial text provided for a total ban of DTC advertising of OTC medicinal products.
- The American Chamber of Commerce in Ukraine is proud that Law #4343-VI “On Amendments to the Final Provisions of the Law of Ukraine ‘On Amending Certain Legislative Acts of Ukraine Regarding Enhancement of Responsibility



Chamber Policy Related Success Stories in 2012

for Violation of Legislation on Personal Data Protection' to Postpone Its Coming into Force" has passed the final stage of consideration and was signed by the President of Ukraine. The Chamber considers this a positive move that provides business with additional opportunity to switch to the new personal data protection regulation rules, as the Law postponed the entry into force of the legislation by six months, moving it from January 1, 2012 to July 1, 2012.

- On March 13th, 2012 the Verkhovna Rada passed in the first reading Draft Law #9693 "On Amendments to the Law of Ukraine 'On the List of Permission Documents in the Sphere of Economic Activity' Regarding the List of Documents," which stipulates reduction of the list of permits required for leasing or sale of land plots in state and municipal ownership.
- On March 16, 2012 the President of Ukraine vetoed and returned to the Verkhovna Rada with his proposals the Law of Ukraine "On Amendments to the Law of Ukraine 'On Fundamentals of State Monitoring (Control) over Economic Activity Regarding Non-Extension of this Law to Sanitary and Epidemiological Supervision and Quality Control of Medicines." The Chamber Healthcare Committee welcomes the President's decision to veto the Law. The veto is in line with the Chamber position as sent to the Parliamentary Committee on Regulatory Policy and Entrepreneurship.
- On March 30, 2012 the Cabinet of Ministers published Resolution #251 "On Approval of the Order of Processing, Making and Issuing of Certificates for Permanent Residence

and Part-Time Residence and of Technical Description of their Letterheads and Amendments to the CMU Regulation #1983 dated December 26, 2002" which stipulates introducing new Certificate for Permanent Residence and Part-Time Residence letterheads developed according to ICAO standards in the Ukrainian and English languages. After addressing Mr. Vitaliy Zakharchenko, Minister of Internal Affairs of Ukraine, the Chamber found that its position was fully incorporated into Resolution #251.

- The American Chamber of Commerce in Ukraine welcomes removal of the provision introducing licensing of import of medicinal products from Draft Law #9654 "On Amendments to the Law of Ukraine 'On Licensing of Certain Types of Economic Activity.'" The Chamber has requested that the Parliamentary Committee on Industrial and Regulatory Policy and Entrepreneurship exclude such provisions from the Draft Law due to the negative impact of import licenses on the prices of medicinal products and the development of competition in the industry. The provisions also violate Ukraine's international obligations arising from its membership in the WTO.
- The American Chamber of Commerce in Ukraine (Chamber) is proud to state that on April 19, 2012 its extended lobbying campaign succeeded in the signing of the new Customs Code of Ukraine (#4495-VI) by the President of Ukraine. In addition, the President signed Law of Ukraine #4496-VI "On Amending Some Legislative Acts with Regard to the Customs Code of Ukraine's Adoption." The Chamber Customs Committee made recommendations about the document, concentrating on cus-



Chamber Policy Related Success Stories in 2012

toms valuation; selected classification and origin issues; customs post-entry audits and the appeal procedure; declaration of goods to customs; and modernization of customs regimes. The document incorporated all these recommendations.

- The President of Ukraine signed the Law of Ukraine “On Amending Certain Laws of Ukraine on Mandatory Insurance of Civil Liability of Vehicles Owners”. The Law almost fully incorporates the Chamber’s proposals.
- A Chamber lobbying campaign resulted in the adoption of Draft Law #10338 “On Amendments to the Law of Ukraine on Natural Monopolies Regarding Incentive Regulation” on June 21. The Chamber supports this progressive piece of legislation and believes that the Law is important for the transition to the incentive tariff methodology that will foster stable investment in the electricity sector of Ukraine, provide security of networks and electricity supplies, and ensure the proper functioning of the domestic electricity market.
- The Chamber welcomes the signing of Law #5077-VI “On Amendments to the Land Code (On Holding Land Auctions),” with Chamber-proposed amendments. The Law establishes a legislative mechanism for selling and purchasing land plots by holding tenders with the purpose of forming a complete regulatory framework for carrying out land auctions in Ukraine. The Chamber considers the provision of clear and transparent procedures for land auctions as one of the important initial steps towards implementation of land reform in Ukraine and increasing the investment attractiveness of the country.

- The Chamber Agricultural Committee welcomes President Yanukovych’s decision to veto Draft Law #10456 “On Amendments to Article 3 of the Law of Ukraine ‘On State Support of Agriculture of Ukraine’ Regarding Regulation of the Purchase Price for Milk,” as it could lead to a significant deterioration of the business environment for milk and dairy producers, increase prices, and reduce quality for consumers.
- Continuing harmonization of tax and customs legislation, on June 7 the Verkhovna Rada adopted Draft Law #10452 “On Amendments to the Tax Code of Ukraine Regarding Harmonization of Some Provisions of Tax and Customs Legislation.”
- On July 31, 2012 a Chamber-led group of NGOs representing the interests of major agricultural sector players signed the Addendum to the Memorandum of Understanding between the Ministry of Agricultural Policy and Food of Ukraine and



Chamber
Agricultural
Committee
Meeting



Chamber Policy Related Success Stories in 2012

Legal Entities-Grain Exporters with Mr. Mykola Prysiachniuk, Minister of Agricultural Policy and Food of Ukraine.

- On August 8, 2012 Law of Ukraine #5083-17 “On Amending the Tax Code of Ukraine on the State Tax Service of Ukraine with Regard to Administrative Reform Performance” was signed by the President of Ukraine. This was a good compromise solution for resolving the outstanding issue of tax loss carry forward. The Chamber’s proposals for a compromise solution to the tax loss carry forward issue were finally incorporated.
- The Chamber welcomes the renewal of activity on the part of the Commission on Hotels Categorization at the State Agency for Tourism and Resorts. As the absence of any procedures for categorization creates obstacles that prevent companies investing in the hospitality market from using benefits as stipulated in the Tax Code of Ukraine, the Chamber has requested that the State Agency for Tourism and Resorts renew the hotel categorization process before new procedures come into force.
- As the Chamber Fuel and Energy Committee has actively participated in developing amendments to the Tax Code of Ukraine and made recommendations regarding improving the provisions related to the oil and gas sector, in particular in respect to taxation of subsoil use payments, it welcomes the adoption of Draft Law #10224 “On Amending the Tax Code of Ukraine on the State Tax Service of Ukraine with Regard to Administrative Reform Implementation.”
- In line with the agreements reached during the Chamber “In-Focus” meeting with Mr. Oleksandr Klymenko, Head of

the State Tax Service of Ukraine (STSU), the STSU has issued a clarification on the issue of taxation of income from a joint activity agreement and the imposition of VAT for the services of Ukrainian freight forwarders, thus bringing into actuality the positive legislative changes that the Chamber Tax Committee has advocated for.

- The Chamber welcomes the decision of the State Customs Service of Ukraine to grant the right for a pharmaceutical business to choose any authorized customs office in Ukraine for customs clearance of their goods, regardless of the place of registration of the importer, and to cancel the requirement that customs control and customs clearance of medicinal products be concentrated in the Kyiv Region at the Biokon customs licensed warehouse.
- Some of the proposals elaborated by the Chamber Healthcare Committee Members were taken into consideration and included in the current wording of Ministry of Health Order #523 “On Amendments to Ministry of Health Order #690 dated September 23, 2009.” This order took force on August 6, amending the regulation on conducting clinical trials in Ukraine. The Order includes the Chamber’s proposals regarding the need to avoid mandatory insurance of investigators and regarding settlement of the terms for submission of additional information and arguments to local ethics committees (LECs). It also partially includes the Chamber’s request that there be opportunities to appeal the decisions of the LECs.



Chamber Policy Related Success Stories in 2012

- The State Customs Service of Ukraine has stopped defining medicinal products containing ethanol as alcoholic drinks after the Ministry of Health's intervention at the Committee's request. Previously, the State Customs Service did not allow medicinal products to be imported in Ukraine, requiring that all medicinal products containing ethanol be transferred to the alcoholic drinks category, thus necessitating payment of excise duty.
- In response to the Chamber Letter asking that the requirements that reloadable prepaid products incorporate a chip be excluded from the Regulation on Electronic Money in Ukraine, the National Bank of Ukraine stated that the Chamber proposals will be considered in the final version.
- The Chamber welcomes the adoption of Draft Law #9539 "On Amendments to the Subsoil Code of Ukraine Regarding Special Permits for Subsoil Use" in the first reading by the Verkhovna Rada. The Draft Law foresees that a company gets the priority right to commercial production in cases when its pilot production is completed, The Chamber Fuel and Energy Committee supports the Draft Law in its current wording.
- An extensive advocacy campaign on the part of the Chamber HR Committee has resulted in the signing of Law of Ukraine # 5067-VI "On Employment." It provides for creating an effective mechanism to promote full, productive, and freely chosen employment in the framework of socio-economic policy implementation. It also provides for constitutional rights, guarantees the right of citizens to work, and offers social protection against unemployment.

- The Chamber welcomes the adoption of Resolution of the Cabinet of Ministers of Ukraine #794 dated August 13, 2012 "Issues of Declaration of Changes in Wholesale and Retail Prices for Medicinal Products and Medicinal Devices Purchased with State and Local Budget Funds." It establishes a more efficient and clear price declaration model to replace the previous price registration mechanism as stipulated by the CMU Resolution #932.
- On September 3 Annex #1 to the Memorandum of Understanding between the Ministry of Agricultural Policy and Food of Ukraine and organizations that represent grain traders, including the Chamber, was signed. The Chamber was one of the initiators and major supporters of this agreement.
- On September 13th the Supreme Administrative Court issued a letter to local courts and administrative courts of



Chamber Policy Related Success Stories in 2012

appeal with regard to the application of the Tax Code of Ukraine regarding tax loss carry forward. The Chamber was actively engaged in the lengthy and complicated process of discontinuing all court cases stemming from the issue of tax loss carry forward and made recommendations about the need to stop the cases.

- The Chamber strongly supports the Verkhovna Rada's decision to pass Draft Law of Ukraine #11120 "On Amendments to the Tax Code of Ukraine Regarding Product Sharing Agreements' Conclusion and Execution." It allows investors to perform their tax obligations duly and in a proper manner in the process of PSA performance. It will thus provide the necessary conditions for attracting much needed investments in the oil and gas sphere, a strategic one for Ukraine.
- Another important success relates to the adoption of Draft Law #11213 "On Amendments to Certain Legislative Acts of Ukraine Regarding Product Sharing Agreements Execution." The Chamber strongly supports this draft, believing that it provides the necessary investment conditions in the oil and gas sector and promotes the successful implementation of PSAs. The latter are an effective way to achieve the stated government goal of reaching energy independence in Ukraine.
- The Chamber welcomes passing of the Draft Law #10571 "On Main Aspects of Electricity Market Functioning in Ukraine" in the first reading on November 20 as it stipulates establishing of a market of bilateral contracts, day-ahead and balancing market based on the principles of

openness and competitiveness, and believes that it plays important role in moving forward much needed reforms in electricity sector of Ukraine.

- Draft Law #11299 "On Amending Certain Laws of Ukraine on Informing the Public about the Content of Genetically Modified Organisms in Food Products" stipulating cancellation of mandatory GMO labeling for food products if the GMO part in a food product is less than 0.9% was passed in the first reading on November 20 by the Verkhovna Rada of Ukraine.
- On November 28 the Cabinet of Ministers of Ukraine officially published Resolution #1079 "On Amendments and Abolishment of Certain Resolutions of the Cabinet of Ministers of Ukraine on Registration of Foreign Economic Contracts" of October 31, 2012 which the Chamber considers as an important step towards liberalization of the agricultural industry.

These Chamber Policy success stories represent more proof of how powerful the joint efforts of the Chamber staff and our Members can be in solving policy problems, initiating and lobbying for legislative changes, and building a stable partnership with state institutions. In 2013 and beyond, the Chamber is looking forward to continued cooperation with our Members as well as with the President of Ukraine and relevant decision makers. It will set even more ambitious goals, and we will count on your support and involvement so that they can be accomplished for the benefit of the business community and Ukraine at large.



Chamber Communications Related Success Stories in 2012

In 2012 the American Chamber of Commerce in Ukraine (Chamber) extended its external and internal communications. It managed to successfully continue its co-operation with existing strategic media partners and establish new partnerships, as well as to consistently improve the platform for information sharing among its diverse Membership.

By implementing a well thought-through communications strategy and by constantly expanding its list of new electronic publications, the Chamber upholds its reputation as a top-quality information provider for its Members.

The Chamber also continues to play the role of an opinion leader in business and economic issues both within the expert community and with the wider public. The Chamber's activities in 2012 were extensively covered in national and international media. Chamber representatives participated in a wide range of domestic and international events to share expertise and make heard the voice of the internationally oriented business community of Ukraine.

MEDIA EXPOSURE

Steps in moving the Chamber's strategic policy agenda forward received widespread attention from leading national and international media. By prolonging its long-lasting win-win co-operation with its partners in the mass media sector and by starting new projects, the Chamber remained an influential voice of the internationally oriented business community operating in Ukraine.

Business Ukraine What you need to know.

Jointly with Member Company Open Borders Media, in 2012 the Chamber continued its monthly project Chamber News in Business Ukraine. The project represents a response to the rapidly changing Ukrainian economic and political situation, which requires new sources of information, as well as business skills and strategies. The Chamber is pleased to contribute to Business Ukraine, an informative and practical English language publication. The goal is to provide Chamber Members and other readers with up-to-date information on Chamber policy, advocacy, and lobbying activities. The Chamber also provides other targeted analytical business-related information, comprehensive overviews of events, and information about services the Chamber provides to Members.

Business Magazine

In 2012 the Chamber initiated cooperation with Business Magazine, a highly recognized business-oriented weekly newspaper with the motto "Read! Think! Act!" One of the publications' special projects provides the opportunity for the expert community to talk about hot topics related to doing business in Ukraine by publishing expert articles in the publication's "Tribune" section. With the help of "Tribune" the Chamber has raised a number of important matters, including tax pressure and the importance of amending the Land Code of Ukraine. The Chamber will continue enhanc-



Chamber Communications Related Success Stories in 2012

ing this cooperation to ensure that the voice of international business community is heard.

Delo.ua 

Within its strategic partnership, the Chamber is actively involved as an expert in various Delo.ua publications, which feature articles from the Chamber's President and Committee Leaderships. Chamber Members have the opportunity to provide their expert views and share success stories, as well as to speak about new trends and personalities in the business world.

Ekonomicheskie Izvestia 

As one of Ukraine's leading analytical portals, Ekonomicheskie Izvestia focuses on various aspects of the country's economic environment. Experts from the American Chamber of Commerce Tax and Customs Committees significantly contributed to shaping public opinion with regard to evaluation of legislative initiatives and shared international best practices. The Chamber looks forward to even more productive cooperation in future.

Interfax 

The Chamber is proud to have the privilege of updating its Membership with the most up-to-date information, all provided by one of the Chamber's strategic partners – the Interfax-Ukraine news agency. Every morning Chamber

Members receive a specially designed e-publication, Interfax Morning News, as well as have the opportunity to stay updated throughout the day with a running string of news on the Chamber website's home page (www.chamber.ua).

Kyiv Weekly 

Understanding the importance of cooperation with Ukraine's English-language media sources, in order to properly interact with the expatriate community, the Chamber has successfully established effective cooperation with one of the market's leaders – Kyiv Weekly. So far, with Kyiv Weekly's help, the Chamber has covered a wide variety of issues, including healthcare, customs, taxation, HR, logistics, and more. The Chamber is eager to strengthen this cooperation in 2013.

Ukrainian Journal of Business Law

The Chamber values the opportunity to publish its relevant Committee updates in a top-level legal magazine – the Ukrainian Journal of Business and Law – and continued this fruitful cooperation in 2012. The Journal's readers include managers and lawyers from leading international law firms as well as visitors and employees of foreign embassies in Ukraine. The Chamber is pleased to have had the wonderful opportunity to update the international community operating in Ukraine on the organization's important policy activities.



Chamber Communications Related Success Stories in 2012

What's On **WHAT'S ON**

www.whatson-kiiv.com

In the current marketplace, an effective networking platform is crucially important for building business relationships. The Chamber is happy to be a leader in facilitating the best business networking in Kyiv. An essential part of being the #1 networking facilitator is proper coverage, and the Chamber is proud to continue its long-lasting and beneficial cooperation with What's On magazine. Chamber Business Networking events have been extensively covered in the magazine's Kyiv Life section. The Chamber is grateful to What's On for its continuous support and looks forward to expanding cooperation with new ideas.

CHAMBER SPEAKS OUT

As a well-regarded speaker at investment events focusing on Ukraine's competitiveness, the Chamber's President was invited to participate in a number of conferences, roundtables, and summits. He shared best practices, expertise, and advice on Ukraine's further development, with a view to creating a better business environment in the country, promoting Ukraine, and attracting new investment.

In 2012 the Chamber was actively involved in the Adam Smith Conferences, the US Ambassador's Forum on the Energy Independence of Ukraine, the International Conference "Ukraine: Win with IT," the Public Discussion of the State Budget and the New Customs Code, the Regional Shale Gas Workshop, the III Ukrainian Grain Congress, the III Eu-

ropean-Ukrainian Energy Day, the National Convention on the EU in Ukraine Working Group "Ukraine-EU: On the Way to the Free Trade Agreement," the International Conference "Strategic Areas for Development of Accounting, Analysis and Audit," the State Department Global Business Conference, and the U.S. Chamber Global AmCham Forum.

INFORMATION SUPPORT PLATFORM

In 2012 the Chamber brought its cooperation with various internationally recognized business event organizers to a completely new level. It provided the Chamber Membership not only with the latest information about specialized conferences, forums, seminars, and other events directly related to the Chamber Policy agenda, but also with significant discounts for participation.

InfoSupport

Ukrainian.Credit.Banking.Union ICC.Ukraine Euroconvention American.Conference.Institute
Ukrainian.Bar.Association Integrites APK-Inform UkrAgroConsult
Edinburg.Business.School ISTIL.Group Adam.Smith
Arzinger Academy.of.Advocacy.of.Ukraine Conference.House
Renewable.Energy.Center Green.World Business.People.Ukraine
Kyiv.Post



Chamber Events Related Success Stories in 2012

Annual Independence Day Picnic

The American Chamber of Commerce in Ukraine has traditionally organized the Annual Charitable American Independence Day Picnic. The number of people who got together this year to spend this Saturday with their family and friends at Spartak Stadium speaks for itself: the Chamber team hosted over 5,000 guests, who all became a part of the American Independence Day celebration.

While enjoying tasty American-style food, refreshing drinks, cotton candy, ice cream, and freshly squeezed juice, guests got cozy on the green grass of the stadium's field and let themselves dive into the live performances of well-known singers and bands. These included the groovy Tex-Mex Company and Positive Band, the promising young Solo-mina, and of course the famous GORCHITZA and inimitable Aleksey Akkerman.

Chamber "Business Leaders League" Meetings

In 2012 the Chamber continued to hold high level business networking events for COIs, senior managers of Member companies, and diplomats. Members of the Chamber Business Leaders League have the opportunity to get together in a high level business networking atmosphere while enjoying delicious food and beverages in exquisite locations.

Captains of Industry ("COI") Events

In 2012 the Chamber organized a range of successful senior level Business Networking Events named Captains of Industry ("COI") Events providing CEOs, Country Managers and General Directors of Chamber Member Companies, Ambassadors and other prominent guests an opportunity to engage in high-level Networking with fellow Members and VIP guests while enjoying delicious food and beverages in an interesting venue.



Business Leaders League Meeting.



Chamber Events Related Success Stories in 2012

Chamber Family and Sport Events

The Chamber has been organizing football, paintball, ping-pong, and other sports tournaments for years. These fun but highly competitive sporting events are excellent team building and networking opportunities, and they've grown in size and popularity among Chamber Members, bringing out the best our Membership has to offer. The Chamber would like to thank Puma Ukraine for its support for all Chamber sporting events. Family events are also popular among Chamber Members. They gather parents and kids to play together and celebrate national holidays.



Chamber Football Tournament.



Chamber's 20th Anniversary Gala Celebration

Chamber's 20th Anniversary Gala Celebration

Over 1,000 COIs and business leaders from among the Chamber Membership, senior government officials, diplomats, and celebrities gathered at the NSC Olimpiyskyy to celebrate the 20th Anniversary of the American Chamber of Commerce in Ukraine. This high profile event highlighted the history of the Chamber, the aspirations of the internationally oriented business community, and the future prosperity of Ukraine, showing how the Chamber has been part of this journey and how it will continue to be a strong voice for the business community in the future.





CHAMBER INNOVATIONS IN 2012



Policy Innovations in 2012

In 2012 the American Chamber of Commerce in Ukraine (Chamber) introduced a wide range of innovative initiatives that add value and help the Members to be successful and competitive through introduction of new effective policy related innovations, new exciting networking events, as well as cutting edge communications platforms.

Policy Innovations in 2012

Domestic and Foreign Investors Advisory Council.

At the request of the Administration of the President of Ukraine, in 2012 the Chamber, together with our Member Company PwC, acted as the Domestic and Foreign Investors Advisory Council (DFIAC) Secretariat, organizing meetings of the Council's Working Groups.

All eight Working Groups continued their activities, which were organized by the Chamber and the Working Group facilitators. The Groups met on a monthly basis to treat issues of interest to the DFIAC Membership as well as to the larger investor community. In April 2012, for the first time in DFIAC history, Working Group deliverables were submitted to the Administration of the President, moving forward the Chamber's political priorities and the President's economic and social reforms agenda.

Constructive relations have been established with the Economic Reforms Coordination Center under the auspices of the President of Ukraine. The Center will be one of the principal government agencies reviewing and acting on the

DFIAC Membership's submissions, transforming them into Presidential Decrees, Cabinet of Ministers resolutions, and legislative acts of Ukraine.

Chamber Tax-Related Initiatives. As a result of the long and productive cooperation between the Chamber and the **State Tax Service of Ukraine (STSU)**, in 2012 **two Joint Working Groups – on Tax Loss Carry Forward and Transfer Pricing** – were established to address issues of concern to Chamber Membership directly.

- Chamber Tax Committee experts were actively involved in developing amendments to the Tax Code of Ukraine regarding tax loss carry forward, in close collaboration with the STSU within the framework of the Joint Chamber-STSU Working Group on Tax Loss Carry Forward. They also worked closely with the Parliamentary Committee on Finance and Banking, Tax, and Customs Policy. We can **now proudly state that the Tax Code of Ukraine contains**



Policy Innovations in 2012

Chamber proposals that allow including the outstanding amount of negative value that is not repaid within respective tax periods during 2012-2015 into an object of taxation, carrying it forward to upcoming tax periods until its complete repayment; and including the amount of tax loss incurred as of January 1, 2012 into the amounts of tax loss incurred as of January 1, 2011, including amounts of tax losses carry forward from 2010 and previous tax years.

- The Chamber was actively engaged in the lengthy and **complicated process of discontinuing all court cases stemming from the issue of tax loss carry forward** and advised about the need to stop them. As a Member of the Domestic and Foreign Investors Advisory Council, the Chamber appealed to the President of Ukraine; the need to discontinue all court cases related to tax loss carry forward was also discussed with the Head of the State Tax Service of Ukraine and other stakeholders. As a result, on September 13th the Supreme Administrative Court issued a letter to local courts and administrative courts of appeal with regard to tax loss carry forward issues which provides an opportunity for tax payers to stop the court cases in question.

During 2012, according to the order of Mr. Valeriy Khoroshkovsky, First Vice Prime Minister of Ukraine, **Chamber Tax Committee experts were included in the following Working Groups under the auspices of the Ministry of Finance:**

- **On Reform** of the Tax System of Ukraine,
- **On Increasing the Effectiveness of Tax Administration,**
- and

– **On Reducing the Tax Burden on Business and Taxpayer Time for Tax Calculation and Payment**

During the meeting with Mr. Oleksandr Klymenko, Head of the State Tax Service of Ukraine, that took place on March 14 it was agreed to continue the cooperation between the Chamber and the State Tax Service by setting up mechanisms for more productive engagement and communication between the Chamber Membership and the tax authorities. In order to speed up the process of receiving responses from the **STSU**, **the parties agreed to redirect letters from Member Companies with a Chamber cover letter to ensure their proper consideration by the tax authorities.** We are glad to say that this mechanism helped clear up a lot of outstanding issues that the Membership faced during 2012.

Chamber Customs-Related Initiatives. The Chamber and the Leadership of the State Customs Service have agreed that Chamber Member Companies should be able to express their concerns and submit questions about customs **clearance and customs valuation issues directly to representatives of the State Customs Service of Ukraine during individual meetings.**

During 2012 five such meetings took place. Chamber Member Companies got an excellent opportunity to express their concerns and resolve problematic customs issues. The Chamber Customs Committee, continuing its active involvement in monitoring the new Customs Code of Ukraine's implementation, in close collaboration with the State Customs Service



Policy Innovations in 2012

launched the **Online Customs Survey**. The goal was to understand what kind of problems business faces due to the new Customs Code and find ways to resolve them. Working from the results, the Chamber Customs Committee provided comments and suggestions to the State Customs Service.

Developing the Ombudsman Concept. The concept's development was initiated by both Chamber Member KPMG Ukraine Ltd. and the Chamber itself at the beginning of 2011 and resulted in 2012 in the Chamber's active involvement in the **establishment of the B2G Ombudsman Office in Ukraine**. **The office's main task will be to serve as a pre-court dispute solution** body representing the business community in disputes with the government. It was developed based on the results of a survey that took place among COIs of Chamber Member companies and discussed with the responsible state authorities. Currently the Ombudsman Project Working Group, which includes Baker & McKenzie, the Chamber, EBRD, KPMG, and Smart-Holding, is finalizing the blueprint for the new body and discussing its functions with the main stakeholders. We expect that 2013 will be a crucial year for further refining this project and working towards its possible launch.

Establishing the Public Private Partnership (PPP) Expert Center. The PPP Expert Center is a new initiative by several organizations, namely the Chamber, Gide Loyrette Nouel, Noerr, and the USAID P3 DP project (fhi360), aimed at developing a PPP projects market for private investors. The new organization is being established under the auspices of the Chamber and will unite the main institutions working in the PPP field. It will include legal companies, consultants, financial institutions, investors, and international and donor organizations. The PPP

Expert Center will focus on creating PPP success stories and will replicate them by providing its expert services to private companies and the government during the first stages of pilot PPP projects. PPP Expert Center meetings during its start-up period concentrated on the Center's concept, structure, and action plan for the first months after its establishment. We plan to inaugurate the PPP Expert Center in the first half of 2013 and the first project will start shortly after.

Reformatting of the Chamber Information and Telecommunications Technologies Committee. Per decision of the Chamber Board of Directors, as of February 7, 2012 the Chamber Information Technologies Committee and the Chamber Telecommunications Committee were merged into an Information and Communication Technologies (ICT) Committee. The goal was to achieve more efficiency, orient the organization towards Members' needs, and concen-



Chamber
Customs
Committee
Meeting



Policy Innovations in 2012

trate on priority sectors for the industry and on issues of key importance. The new ICT Committee has embraced the agendas of the former Information Technologies and Telecoms Committees. At this point the Committee has elected its leadership, established its priorities, and conducted two meetings devoted to a number of ICT issues.

Rebranding the Hospitality and Tourism Committee. Based on a decision made at the Chamber Board of Directors meeting on February 7, 2012, the Chamber Travel and Tourism Committee was rebranded as the Chamber Hospitality and Tourism Committee. The point is to emphasize the Committee's involvement in the development of the hospitality industry.

Establishing the Chamber Food and Beverage Committee. In July 2012 the Chamber established the new Food and Beverage Committee. The Committee is unique in its structure, consisting of a Steering Committee, the Committee leadership, and six issue-specific Working Groups. The Committee's objective is to serve as a "focal point" for lobbying opportunities and for confronting specific issues on the part of its Members, including: pursuing strategic priorities; fostering a meeting and discussion platform for Committee Members; discussing and approving decisions made by the Working Groups; developing recommendations; maintaining a comprehensive and consistent lobbying campaign regarding important issues; and providing a meeting and discussion platform for Committee Members so as to encourage constant circulation of industry-related information (news, legislation, etc.) and allow them to make grounded decisions and identify potential threats. The Working Groups work in

six main directions: food safety, waste recycling, labeling requirements, alcohol production, WTO and the Customs Union, and price controls. They meet on a monthly basis.

Introducing the Chamber Banking and Finance News Bulletin. This publication was designed specially to meet the needs of the Chamber Banking and Financial Services Committee and to serve as an information platform. The Bulletin is issued periodically and includes reviews of recently adopted legislation and government initiatives affecting the financial sector. To make such a bulletin a valuable tool for the Members of the Committee, news bits are followed by short analytical notes and insights evaluating the impact (positive/negative) of these legal acts and initiatives on the financial sector. These analytic materials are kindly provided by leading Chamber-Member law firms.



*Chamber Banking
and Financial Ser-
vices Committee
Meeting*



Chamber Communications Innovations in 2012

The Chamber continues to shape the Chamber's Membership Communications platform with a view to providing Members with more relevant information in a less time-consuming format. To that end, in 2012 the Chamber focused on developing new targeted e-publications to make them as efficient and informative as possible for every employee of Chamber Member Companies. A number of new e-publications were introduced to keep various groups of employees updated with the most relevant information, intended precisely for them.

In 2012 the Chamber also started to actively use Social Media tools to serve the organization's strategic goals, including enhancing the Chamber's brand awareness, promoting the Chamber's role as the best Business Networking facilitator, educating a wider audience about the Chamber's mission, vision, and international aspirations, and highlighting key Chamber Success Stories related to moving the policy agenda forward.

THE NEW STRUCTURE OF MEMBERSHIP PUBLICATIONS

List of E-publications issued by the American Chamber of Commerce in Ukraine.

Daily:

- **Interfax-Ukraine Front Page** – Introduced in 2010, the Interfax FrontPage quickly became one of the Chamber's

most popular E-publications. The daily morning publication is sent to the entire Membership to inform them about the most significant changes and innovations in Ukrainian economic and political life and to show the Chamber's involvement in policy making and in defending the interests of the Membership.

Weekly:

- **Chamber Weekly Bulletin (Monday)** – The main informational E-publication issued by the Chamber. The Bulletin provides information about the benefits of being a part of the Chamber: Committee Meetings, Chamber Business Networking Cocktails, English Language Movie Premiers, Family Events, sports competitions, "In-Focus" Meetings, and much more. This publication also provides Members news, and information about Partners events and conferences that the Chamber supports.
- **COI Executive Summary (Wednesday)** – The exclusive Chamber's Captains of Industry E-publication. It is aimed at providing its audience with updates on the most important Chamber activities in brief and easy to grasp form – both advocacy and lobbying and business networking.
- **Advocacy and Legislation Update (Thursday)** – This E-publication serves as communications tool to inform Chamber Members interested and/or actively engaged in Chamber Policy activities about current advocacy and lobbying initiatives; ongoing policy activities; communication



Chamber Communications Innovations in 2012

with state authorities; success stories; and general overview of engagements of the Chamber Industry and Sector Specific Committees and Working Groups. This E-publication is a very useful way to receive insight and early warnings that may impact Chamber Member Companies; to keep track of actual and draft legislation in different branches of the economy; to share information and to join efforts in successfully addressing specific issues that target the business community in Ukraine.

Monthly:

- **Policy Tracker** – First issued in September 2011, and distributed on the first working day of the month. It reports on the efforts of the Chamber Policy Team, expert opinion, the engagements of active Chamber Members, and coverage of the Chamber in different media during the past month.
- **Membership Card Offers** – This E-publication contains all the discounts provided by Chamber Members within the Chamber Discount Program. All the tasty news from our Gourmet Club participants can also be found here. Membership Card Offers serve as great promotional tools for Chamber Discount Program participants and for Gourmet Club participants. It is distributed to subscribers on the first Friday of the month.
- **Partners Publication** – The publication is designed specifically for Partners of the American Chamber of Commerce in Ukraine. It will include the most recent developments and success stories from Chamber Partners, an Infosupport Section, and Partners News and Chamber Committee reports.

Ad-hoc:

- **Policy Flash** – This E-publication is designed to inform Members about significant achievements in Chamber Policy activities.
- **Meeting Highlights** – A report on Chamber meetings with state officials.
- **Banking and Finance News Bulletin** – Designed for the Chamber Banking and Financial Services Committee and aimed at informing interested Chamber Members about specific information in the B&F sphere, with valuable comments from active players on the market. Issued on the day of the Committee meeting.
- **ChamberLIVE** – Issued two hours before the event that will be broadcasted live. Distributed among the General Membership.
- **Membership Update** – An informational digest to inform the General Membership about new additions to the Chamber Family. Issued every time at least 10 companies join the Chamber, but not more often than once a month.
- **Chamber Upcoming Business Events** – This E-publication is designed to inform all interested Chamber Members about Chamber Member Companies events. It includes Conferences supported by the Chamber and Members Events.



Chamber Communications Innovations in 2012

Annual Publications

Annual Report. The Chamber Annual Report is an electronic publication designed to summarize the Chamber's activities, progress, and success during the past year. It discusses Chamber advocacy and lobbying activities, committees and working groups, networking and family events, publications and information support, the discount card program and Gourmet Club, and much more.

Membership Directory and Country Profile. The Chamber Membership Directory and Country Profile is a highly sought after Membership benefit that provides contact details and descriptions of each Member company, a valuable Country Profile section, and other useful information about the Chamber and the business and diplomatic community active in Ukraine. It is available in both a high-quality printed version and a user-friendly electronic edition. High-level decision makers at leading international and local Member Companies who operate in Ukraine, including the largest strategic and institutional investors in Ukraine, comprise the readership of the Chamber Membership Directory. The audience also includes key decision makers in the EU and US, diplomatic and donor missions, Ukrainian governmental authorities, and Ukrainian ambassadors abroad. The Membership Directory also contains a comprehensive Country Profile Section. The Country Profile consists of analytical articles that relate to specific economic and business interest areas, as well as of material by Chamber Members who are experts in their fields.



Chamber Events Innovations in 2012

Networking Summer with the Chamber

Summer is the slow season businesswise. To do something about that, the Chamber created a special contest to reward the most active networkers. The “Networking Summer with the Chamber” event was designed to encourage Chamber Members to maintain their contacts and keep in touch with business partners by participating in all the Business Networking Cocktails the Chamber organizes (Chamber “Life on Top” Business Networking Cocktail, Chamber “Independence Day Picnic After-party” Business Networking Cocktail, Chamber Annual Boat Cruise). Those who enjoyed at least two of these events this summer were invited to take part in a special lottery during the “Welcome Back” Business Networking Cocktail to compete to win two return tickets to any destination from Ukraine International Airlines. The chances were good for all the contestants, but the odds were obviously in favor of Tatiana Klymenchuk of First Realty Brokerage. Her victory once again proved that the Chamber’s business Networking Cocktails are worth investing time in.

Special Interactive Picnic Games

The American Independence Day Picnic is the major Chamber event each year, and is always very well attended. This year the Chamber found an innovative way to attract guests, giving away free tickets to the event. Chamber Members could participate in online Interactive Picnic Games, which were available on the Cham-

ber website (“Find 11 dogs in the picture,” “Find 20 differences between the pictures,” “Solve a puzzle”). Ten winners were identified weekly via lottery. The Picnic Games served as a great promotion for the event, drawing the attention of the entire Membership and helping raise more money for charity.



Chamber “Independence Day Picnic After-party” BNG





UKRAINIAN GOVERNMENT RELATIONS



Ukrainian Government Relations

The American Chamber of Commerce in Ukraine's philosophy and operations in Ukraine have always been guided by a simple symbiotic relationship: only in a prosperous, strong and favorable environment is business able to grow, hire more employees, and find new customers, vendors and partners. This in turn leads to information and technology dispersion and greater benefits to the host country and its people.

In 2012 the Chamber's advocacy and policy activity priorities focused on identifying further opportunities to strengthen the Ukrainian economy and business climate. They were included but not limited to:

- Increasing Ukraine's competitiveness;
- Energy independence through equal access and fair competition;
- Developing a more efficient and competitive agricultural industry based on free market principles.

The Chamber, along with its Board of Directors and its Member Companies, united with relevant government agencies, with the private sector, and with experts from non-governmental organizations to develop and strengthen positive trends in Ukraine's business climate. Another goal is to contest trends that create disadvantages for businesses and foment a non-level playing field.

In 2012 the Chamber Board of Directors and Policy Team continued their proactive dialog with Ukrainian state officials, ensuring that the Membership receives value-added, tangible, and successful advocacy solutions. The Chamber

worked diligently to establish new relationships and develop existing ones with top-ranking members of the executive and legislative branches. The Cabinet of Ministers, numerous ministries and state committees, selected Verkhovna Rada committees, the Administration of the President of Ukraine, the Regional State Administrations – our business association works closely with all of them to address issues that generate the greatest concern among the Membership. The Chamber has been able to positively influence matters through active and targeted advocacy and lobbying efforts.

Throughout the year the Chamber Membership had a wide variety of opportunities to engage in a positive dialogue with key decision makers in the Ukrainian government via



Ukrainian Government Relations

Chamber Committee and Working Group meetings, General Membership meetings, “In-Focus” and “Insiders View” meetings, “Government Facing” events, innovative tools like the “Insights into Investing in the Regions with the Chamber” series and the Diplomatic Insiders’ Club.

In 2012 the Chamber participated in many important events and hosted meetings with many Ukrainian and foreign state officials and experts. Below are just some of the officials and VIPs who addressed and communicated with the Chamber Membership and leadership:

- **Mr. Viktor Yanukovych**, President of Ukraine
- **Mr. Mykola Azarov**, Prime Minister of Ukraine
- **Mr. Valerii Khoroshkovskiy**, First Vice Prime Minister of Ukraine
- **Mr. Borys Kolesnikov**, Vice Prime Minister of Ukraine
- Minister of Infrastructure of Ukraine
- **Mr. Serhii Tigipko**, Vice Prime Minister of Ukraine – Minister of Social Policy of Ukraine
- **Mr. Yuriy Boyko**, Minister of Energy and the Coal Industry of Ukraine
- **Mr. Yuriy Kolobov**, Minister of Finance of Ukraine
- **Mr. Mykola Prysyazhniuk**, Minister of Agricultural Policy and Food of Ukraine
- **Mr. Petro Poroshenko**, Minister of Economic Development and Trade of Ukraine
- **Mr. Kostiantyn Gryshchenko**, Minister of Foreign Affairs of Ukraine

- **Ms. Iryna Akimova**, First Deputy Head of the Presidential Administration
- **Mr. Andrii Goncharuk**, Adviser to the President of Ukraine, Executive Secretary of the Domestic and Foreign Investors Advisory Council under the President of Ukraine
- **Mr. Vitalii Khomutynnik**, Head of the Parliamentary Committee on Finance and Banking, Taxation and Customs Policies
- **Mr. Sergiy Titenko**, Head of the National Commission for State Energy Regulation of Ukraine
- **Mr. Grigoriy Kaletnik**, Head of the Parliamentary Committee on Agricultural Policy and Land Relations,
- **Mr. Anatolii Kinakh**, People’s Deputy of Ukraine, President of the Ukrainian League of Industrialists and Entrepreneurs
- **Mr. Valeriy Konovaliuk**, People’s Deputy of Ukraine
- **Mr. Anatoliy Horbatiuk**, People’s Deputy of Ukraine
- **Ms. Ksenia Liapina**, People’s Deputy of Ukraine
- **Mr. Ihor Kaletnik**, Head Chairman of the State Customs Service of Ukraine
- **Mr. Oleksandr Klymenko**, Head of the State Tax Service of Ukraine
- **Mr. Leonid Kozachenko**, Chairman of the Council of Entrepreneurs under the Cabinet of Ministers of Ukraine
- **Mr. Vadym Kopylov**, First Deputy Minister of Economic Development and Trade of Ukraine
- **Mr. Anatolii Maksiuta**, First Deputy Minister of Economic Development and Trade of Ukraine
- **Mr. Valeriy Pyatnytskiy**, Commissioner for European Integration



Ukrainian Government Relations

- **Ms. Raisa Moiseyenko**, First Deputy Minister of Health of Ukraine
- **Mr. Volodymyr Ignashchenko**, Adviser to the Minister of Ecology and Natural Resources of Ukraine, Member of the Interdepartmental Commission Responsible for Execution of Production Sharing Agreements
- **Mr. Mykhailo Brodskyy**, Head of the, State Committee of Ukraine for Regulatory Policy and Entrepreneurship
- **Mr. Oleksandr Potimkov**, Deputy Head of the, State Committee of Ukraine for Regulatory Policy and Entrepreneurship
- **Mr. Oleksiy Mervinskiy**, Head of the State Service of Ukraine on Personal Data Protection
- **Ms. Lilia Olesiuk**, First Deputy Head of the State Service on Personal Data Protection of Ukraine
- **Mr. Volodymyr Kozak**, Deputy Head of the State Service of Ukraine on Personal Data Protection
- **Mr. Sergiy Siomka**, Director of the Department of the Organization of Customs Control and Clearance of the State Customs Service of Ukraine, State Customs Service of Ukraine
- **Mr. Sergii Gila**, Director of Customs Payments Department, State Customs Service of Ukraine
- **Mr. Yaroslav Prokopenko**, Deputy Director of the Department of Struggling against Smuggling, Corruption and Risk Analysis Activity, State Customs Service of Ukraine
- **Mr. Sergii Djigalov**, Department of Classification of Goods and Foreign Economic Activity, State Customs Service of Ukraine
- **Mr. Sergey Bedash**, Ministry of Finance of Ukraine

- **Mr. Mykhailo Tevkun**, Ministry of Finance of Ukraine
- **Ms. Galyna Pahachuk**, Director of the State Debt and International Financial Policy Department, Ministry of Finance of Ukraine
- **Ms. Liudmyla Konoshevych**, Head of the Pharmaceutical Sector Development Department, Ministry of Health of Ukraine
- **Ms. Natalya Lytvynenko**, Deputy Head of the Department of Licensing and Certification of the State Service.
- **Mr. Anton Lipukhin**, Deputy Director of the Legal Support and International Relations Department - Head of the Medicine Turnover Legal Support Section of the State Expert Center under the Ministry of Health of Ukraine



Ukrainian Government Relations

- **Mr. Ivan Klymovych**, Head of the Methodology of Pricing and Oversight Division of the Department of Real Sector Development, Ministry of Economic Development and Trade of Ukraine
- **Mr. Igor Garbaruk**, Director of the Department of Trade Development of the Ministry of Economic Development and Trade of Ukraine
- **Mr. Dmytro Petukhov**, Director of the Department of Automobile Transport of the Ministry of Infrastructure of Ukraine.
- **Mr. Dmytro Polishchuk**, Head of the Kyiv Regional Customs Office, State Customs Service of Ukraine
- **Mr. Mykola Dmytriiev**, Deputy Head of the Market Control Department
- **Mr. Oleg Kobelkov**, Acting Head of the Consumer Protection and Advertising Department.
- **Mr. Ivan Klymovych**, Head of the Methodology of Pricing and Oversight Division of the Department of Real Sector Development, Ministry of Economic Development and Trade of Ukraine
- **Mr. Oleksandr Nohachevsky**, Vice President of the Federation of Franchising Development, Hospitality and Infrastructure
- **Mr. Dmytro Demydovych**, Deputy Minister of Infrastructure of Ukraine
- **Mr. Volodymyr Sevriukov**, Director of the Department of State Policy on Sea and River Transport of the Ministry of Infrastructure of Ukraine

- **Mr. Oleksandr Kondrat**, Deputy Director of the Department of Economics and Finance of the Ministry of Infrastructure of Ukraine
- **Mr. Denis Bazilevych**, Parliamentary Development Program and Professional Lobbying and Advocacy Institute.
- **Ms. Darya Revina**, Head of the ICC Ukraine's Commission for Ecological Investments and Alternative and Renewable Energy Sources
- **Mr. Dmytro Ignatiev**, ICC Ukraine Vice President for International Cooperation
- **Ms. Nataliya Hotsyanivska**, Department of Taxation of Legal Entities
- **Ms. Olga Sokolova**, Deputy Head of the State Inspection on Consumer Rights Protection of Ukraine
- **Mr. Sergii Kyianychnenko**, Head of Market Surveillance Division, State Inspection on Consumer Rights Protection of Ukraine
- **Mr. Volodymyr Yegorov**, Colonel of the State Border Service of Ukraine
- **Mr. Borys Leonov**, Senior Consultant of the Main Office of the Anti-Terrorist Center under the Security Service of Ukraine
- **Mr. Sergiy Korniyenko**, Head of the Office for Supervision of the Aviation Safety Condition of Airports and Commercial Maintenance Entities, Aviation Safety Department of the State Aviation Service of Ukraine
- **Mr. Dmytro Nikitin**, First Deputy Head of the Central Office of the Paramilitary Security Service of the State Administration on Rail Transport of Ukraine



Ukrainian Government Relations

- **Ms. Tetyana Symchyshyna**, Head of the Department for Legal Support of the Land Market and Assessment of Land, State Agency of Land Resources of Ukraine.
- **Mr. Viktor Kirichenko**, Director of Quality Control and of Agricultural Products and Declaration.
- **Mr. Yuriy Pysarchuk**, Head of the Department of Goods Classification and Foreign Trade Control, the State Customs Service of Ukraine
- **Mr. Andriy Ocheret**, Head of the Section of Goods Declaration, the State Customs Service of Ukraine
- **Mr. Daniil Andreev**, Deputy Head of the Customs Duties Department of the Kyiv Regional Customs Office
- **Mr. Valeriy Dombrovsky**, Chief of the Secretariat of the Committee on Finance and Banking, Taxation and Customs Policies of the Verkhovna Rada
- **Mr. Proskuryakov**, Head of the State Service of Geology and Mineral Resources of Ukraine
- **Mr. Vitaliy Bashinsky**, Head of the Department of Veterinary Medicine, State Veterinary and Phytosanitary Service of Ukraine
- **Ms. Angela Prigozhina**, Senior Financial Sector Specialist, World Bank Office in Ukraine
- **Mr. Ruslan Bortnik**, Assistant to People's Deputy Kolesnichenko, Head of the Public Organization "Common Goal."

The American Chamber of Commerce in Ukraine, as an organization representing the largest strategic and institutional investors, those that have committed a majority of the foreign direct investment into the market place, remains committed to helping the national government to fully de-

velop the economy. It does this by advocating for comprehensive legislative and regulatory reform that will make Ukraine more competitive and into an innovative European country. This will help Ukraine attract much needed domestic and foreign investment.

In 2012 the Chamber utilized different advocacy venues on both the national and regional levels, to facilitate new investment in the Ukrainian market by rationalizing the national business environment and improving the current legislative framework.

The Chamber is an active Member of the **Committee of Economic Reforms under the President of Ukraine** and supports comprehensive reform of all spheres of Ukraine's economy. The Chamber has engaged interested Chamber



*Chamber In-Focus Meeting
with Mr. Prysyazhnyuk,
Minister of Agrarian Policy
of Ukraine*



Ukrainian Government Relations

Member Companies in the **Regional Economic Development Working Group**, which has allowed for providing comments and feedback on many important reforms. A number of useful initiatives are being implemented under the auspices of the **Domestic and Foreign Investors Advisory Council (DFIAC) under the President of Ukraine**, of which the Chamber is a proud member.

In 2012 the Chamber became a Member of the Public Council under the National Commission for the State Regulation of Communications and Informatization. It also continued its active participation in the Public Councils under the State Customs Service of Ukraine, the Ministry of Finance of Ukraine, the Ministry of Health of Ukraine, and the State Service of Ukraine on Medicinal Products.

Below is a brief description of events that the Chamber either hosted or in which it was instrumental as an active participant.

Throughout the year Mr. Jorge Zukoski, President of the American Chamber of Commerce in Ukraine, along with Members of the Economic Reform Committee and representatives of the government of Ukraine, participated in Committee meetings chaired personally by President Viktor Yanukovich.

On January 17 the Chamber took part in the first meeting of the **Working Group on Improvement of Provisions of the Draft Law “On Internal Trade.”** The Group was established under the auspices of the Ministry of Economic Development and Trade of Ukraine to improve Draft Law

#9443 “On Internal Trade.” The event was held under the supervision of **Mr. Igor Garbaruk, Director of the Department of Trade Development of the Ministry of Economic Development and Trade of Ukraine.**

On January 20 the Chamber met with **Ms. Raisa Moiseyenko, First Deputy Minister of Health of Ukraine**, and representatives of pharmaceutical associations (AIPM, APRaD) and business associations. The key topic was a letter sent to the Ministry of Health State Expert Center (SEC) regarding the obligation to register medical devices that are supplements to medicinal products.

On February 7, 2012 the American Chamber of Commerce in Ukraine was pleased to host an exclusive senior level working meeting with **Mr. Valeriy Khoroshkovsky, Minister of Finance of Ukraine**, members of the **Chamber Board of Directors, members of the diplomatic community**, and representatives of the **Ministry for Foreign Affairs**. Participants discussed the recent challenges that the internationally oriented business community operating in Ukraine is facing. They also discussed strengthening the partnership with the Ministry of Finance to ensure productive cooperation in future.

On February 13 the Chamber arranged an “In-Focus” Meeting with **Mr. Igor Kaletnik, Chairman of the State Customs Service of Ukraine**. It was attended by Chamber Member Companies and representatives of the diplomatic community and took place on the premises of the State Cus-



Ukrainian Government Relations

toms Service of Ukraine. Participants discussed outstanding issues pertaining to the adoption of the Draft Customs Code, the State Customs Service's plans for 2012, the customs value database, electronic declarations, the new fines for violations of customs rules, and the Chamber's proposals and initiatives.

On March 20 the Chamber was pleased to host an **"In-Focus" Meeting with Mr. Kostiantyn Gryshchenko, Minister of Foreign Affairs of Ukraine**. Addressing the Chamber Membership, Mr. Gryshchenko emphasized the role of the Chamber Membership in changing the picture of what Ukraine is all about, including its economic prospects and its business opportunities for those who would like to be part of the changing environment here.

On April 6 a meeting of the Chamber Working Group on Personal Data Protection took place. The meeting was conducted with the participation of **Mr. Volodymyr Kozak, Deputy Head of the State Service of Ukraine on Personal Data Protection**. It was devoted to developing a relevant Corporate Code of Conduct.

Pursuing the goal of developing and improving Ukrainian customs legislation and advocating on behalf of the broad Chamber Membership, on April 11 **Chamber President Jorge Zukoski** and the Chamber **Customs Committee Leadership** met with **Mr. Dmytro Polishchuk, Head of the Kyiv Regional Customs Office**, to discuss the important issues that Member Companies are currently facing with

customs clearance. To ensure better customs representation **Mr. Sergiy Siomka, Director of the Department of the Organization of Customs Control and Clearance of the State Customs Service of Ukraine; Mr. Sergii Gila, Director of the Customs Payments Department; Mr. Yaroslav Prokopenko, Deputy Director of the Department of Struggling against Smuggling, Corruption and Risk Analysis Activity; and Mr. Sergii Djigalov, Department of Classification of Goods and Foreign Economic Activity** joined the meeting.

On April 12th the Chamber organized an "In-Focus" meeting with **Mr. Petro Poroshenko, Minister of Economic Development and Trade of Ukraine**.



*In-Focus Meeting with
Mr. Gryshchenko*



Ukrainian Government Relations

On April 26 the Chamber took part in the **Spring Business Forum 2012 in Lviv**. The main focus of the event was investment tools at the local level, with a separate discussion of public-private partnership opportunities in Ukraine. **Mr. Jorge Zukoski, Chamber President**, chaired the discussion platform **“Public-Private Partnership: Is It Possible in Ukraine?”** It was attended by the main stakeholders representing the business, expert, and diplomatic communities.

On May 15 the Chamber held an **“In-Focus” Meeting with Mr. Sergiy Titenko, Head of the National Commission for State Energy Regulation of Ukraine (NERC)**.

On May 24, 2012 the American Chamber of Commerce in Ukraine held an **“In-Focus” meeting with Mr. Mykola Prysyazhnyuk, Minister of Agricultural Policy and Food of Ukraine**. CEOs of companies on the Chamber Agricultural Committee were invited and a number of state officials responsible for different agriculture sub-sectors attended. In an open and focused dialog, participants discussed the most important issues for the development of the industry, including grain production issues, shipment and exports, weak points of the current licensing system that lead to the inefficient functioning of the agricultural and food sector, the process of bringing national practices and procedures into accordance with European standards, and more.

On May 28 the American Chamber of Commerce in Ukraine (Chamber) signed a Memorandum of Cooperation with the Ukrainian League of Industrialists and Entrepreneurs (ULIE). During the ceremony **Mr. Anatolii Kinakh, President of the ULIE, and Mr. Jorge Zukoski, President of the Chamber**, developed a common vision for pushing the common policy agenda forward. The parties agreed that the Memorandum is just one manifestation of the long-term common aspirations to build fruitful bilateral relations and that it creates a strong institutional base for deeper cooperation.

On May 28 the **first meeting of the Working Group under the Ministry of Finance of Ukraine**, established according to the subsection **“Deregulation, Business Development, and Administrative Services Reforms”** of the 2012 National Action Plan, was held. It included the participation of **representatives of the Ministry of Finance of Ukraine, the State Customs Service of Ukraine, the Ministry of Justice of Ukraine, the Chamber**, and other business associations and research institutes.

On June 6 the Chamber held a meeting and signed a **Memorandum of Understanding with the Verkhovna Rada Committee on Finance and Banking, Taxation and Customs Policies**. The ceremony took place within the framework of the regular Committee Meeting attended by **People’s Deputies of Ukraine, the Ministry of Finance of Ukraine, the State Tax Service and other central executive bodies**. Opening the event, **Mr. Vitalii Khomutynnik**,



Ukrainian Government Relations

the Committee's Head, noted that the Committee he chairs is interested in close cooperation with the Chamber, considering its important role in creating a favorable investment climate in Ukraine.

On June 8 the American Chamber of Commerce in Ukraine participated in the **roundtable discussion "Authorized Economic Operators: New Opportunities for Business Community"** at the Ukrainian Chamber of Commerce and Industry. The event was devoted to the implementation of the Authorized Economic Operators concept under the new Customs Code of Ukraine.

On June 8 the American Chamber of Commerce in Ukraine and the Ukrainian National Committee of the International Chamber of Commerce in Ukraine (ICC Ukraine) signed a **Memorandum of Cooperation**. The document creates an institutional base for bilateral cooperation, providing certain specific fields for joint activity.

On June 12th the Chamber Customs Committee represented by Co-Chairs **Mr. Igor Dankov**, PwC, and **Mr. Alexandr Gutsal**, Carlsberg Ukraine, met with **Mr. Sergii Siomka**, Director of the Department of the Organization of Customs Control and Clearance, as well as with a number of other representatives of the **State Customs Service of Ukraine**. They discussed the possibility of conducting a joint survey among the international business community operating in Ukraine to get feedback on the new Customs Code's implementation.

On June 14 a meeting with business associations' representatives took place at the **Committee on Finance and Banking, Taxation and Customs Policies of the Verkhov-**

na Rada, chaired by **Mr. Valeriy Dombrovsky**, Chief of the Secretariat of the Committee. **Mr. Valeriy Pyatnytskiy**, Commissioner for European Integration, and representatives of the Ministry of Finance were also present. The provisions of Draft Law #9241-d "On Introducing Amendments to the Law of Ukraine 'On Customs Tariff of Ukraine' (for Bringing the Import Duty Rates into Compliance with WTO Criteria)" adopted by the Verkhovna Rada in the first reading were the focus of discussion.

On June 21, as a recap of the Danish EU Presidency, the Chamber was pleased to hold an **"In-Focus" Meeting with H.E. Michael Borg-Hansen, Ambassador Extraordinary and Plenipotentiary, Royal Danish Embassy**. Addressing the Chamber Membership, the Ambassador highlighted the



Ukrainian Government Relations

accomplishments and priorities of the seventh Danish EU Presidency. He also covered the framework, conditions and organizational structure of the EU Presidency, the current challenges for the European Union, and the prospects for further EU-Ukraine cooperation.

Continuing its active working dialog with senior policy makers in order to move the Chamber Membership agenda forward, the Chamber was pleased to hold an “In-Focus” Meeting with **Mr. Mykhailo Brodsky, Head of the State Service of Ukraine for Regulatory Policy and Entrepreneurship Development**. The meeting also featured the participation of **Mr. Oleksii Soloviov, Head of the State Service of Ukraine on Medicinal Products**, and **Mr. Oleksandr Potimkov, First Deputy Head of the State Service of Ukraine for Regulatory Policy and Entrepreneurship Development**.

On June 26 representatives of the Chamber PSA/Subsoil Working Group participated in a meeting of the Working Group for developing recommendations on further improvement of the legislation on subsoil issues based on PSA signing and execution. The Working Group was established by the Interdepartmental Commission Responsible for Execution and Performance of Production Sharing Agreements on June 2. The meeting took place at the State Service of Geology and Mineral Resources of Ukraine and was headed by **Mr. Proskuryakov, Head of the State Service**. Participants included, among others, representatives of the State Service, of the Ministry of Ecology and Natural Resources, of the Ministry of Economic Development and Trade, and of the Ministry of Finance.

On July 5 the Chamber arranged an “In-Focus” Meeting with **Mr. Oleksandr Klymenko, Head of the State Tax Service of Ukraine (STSU)**. It was attended by Chamber Member Companies as well as representatives of the diplomatic community.

On July 5 the Chamber hosted the latest in its series of “In-Focus” meetings, with the participation of **Mr. Serhii Biriuk, Member of the National Commission for State Regulation of Financial Services Markets**, and **Mr. Sergiy Kuzmenko, Head of the Department for Financial Markets Regulation and Financial Monitoring**. Issues of primary interest for the insurance sector were discussed.

On July 6 Chamber Agricultural Committee Members held a meeting with officials of the State Veterinary and Phytosanitary Service of Ukraine regarding new inspection tariffs. Members presented the Chamber Position Paper and the Comparative Table with Tariff Estimates to **Mr. Vitaliy Bashinsky, Head of the Department of Veterinary Medicine**, **Mrs. Lyubov Motornyuk**, Chief of the Division for Finances, Economics and Accounting, and **Ms. Olga Efimova**, Chief of the Division for Veterinary and Sanitary Procedures on the State Border. They also clearly stated their position that the newly proposed tariffs would significantly increase costs for the grain and oil industry, resulting in a drop in export volumes and losses for the industry and farmers.

On July 9-13, striving to build a more competitive Ukraine, the American Chamber of Commerce in Ukraine together



Ukrainian Government Relations

with its Partner, the **Ukrainian Association of International Economics**, hosted the “Competitiveness of Ukraine and Switzerland” Summer School. The event focused on studying the institutional particularities that influence national competitiveness. The curriculum included lectures by government and business representatives and by representatives of the expert community and academia.

On July 11 the Chamber Healthcare Committee hosted yet another meeting with the participation of **Mr. Oleksii Soloviov, Head of the State Service of Ukraine on Medicinal Products**, and **Ms. Natalya Lytvynenko, Deputy Head of the Department of Licensing and Certification of the State Service**.

On July 16 Members of the Chamber Working Group on Personal Data Protection, as well as **Mr. Volodymyr Kozak, Deputy Head of the State Service of Ukraine on Personal Data Protection**, took part in a conference call with **experts from the U.S. Department of Commerce**. The call was kindly organized by the Embassy of the United States.

On July 19 the Ministry of Health hosted a meeting with pharmaceutical producers devoted to the price registration of medicinal products. The meeting was headed by **Mr. Roman Bogachov, Deputy Minister of Health**, and **Mr. Mykhailo Nesterchuk, Head of the State Expert Center under the Ministry of Health**.

On July 27 Chamber Agricultural Committee Members attended a meeting regarding the introduction of voluntary certification for grain warehouses and grain quality for internal shipments hosted by the **State Service of Ukraine for Regulatory Policy and Entrepreneurship Develop-**

ment (Derzhkompidpryyemnytstvo). A fruitful dialog took place with representatives of other governmental authorities, including the State Veterinary and Phytosanitary Service, the State Agricultural Inspection, and the Ministry of Ecology and Natural Resources.

A number of arguments have been cited in favor of abolishing the abovementioned certificates.

On August 29 the Chamber participated in a meeting hosted by the Ministry of Health (MoH) devoted to **developing regulation of products with codeine**. The meeting was attended by representatives of the MoH, the Ministry of Internal Affairs, and the State Service of Ukraine on Medicinal Products. All participants, except for those from the Ministry of Internal Affairs, expressed their support for the idea of limiting (up to two pack units per person) codeine product sales in pharmacies.



Ukrainian Government Relations

On September 18 the Chamber held an “Expert View” meeting with the participation of **Mr. Anders Åslund, Senior Fellow of the Peterson Institute for International Economics, Washington, DC.** Chamber Diplomatic Insiders Club Members and Chamber Member Company representatives heard Mr. Åslund’s presentation on “Ukraine: Capitalism in One Family.”

In 2012, **the Chamber addressed** the Cabinet of Ministers, the Presidential Secretariat, the Verkhovna Rada, and other **Governmental institutions concerning many important issues.** They include but are not limited to:

- **The Law of Ukraine “On Amendments to Certain Laws of Ukraine on Mandatory Insurance of Civil Liability of Vehicle Owners” (Mr. Viktor Yanukovych, President of Ukraine)**
- Draft Law #10655 “On Amendments to the Law of Ukraine ‘On Seaports of Ukraine’” (Mr. Volodymyr Lytvyn, Chairman of the Verkhovna Rada, Mr. Borys Kolesnikov, Vice Prime Minister and Minister of Infrastructure, and Mr. Mykhailo Myronenko, Head of the Parliamentary Committee on Transport and Communications)
- **Draft Law #9712 “On Seaports”** (Mr. Volodymyr Lytvyn, Chairman of the Verkhovna Rada; Mr. Borys Kolesnikov, Vice Prime Minister and Minister of Infrastructure; and Mr. Mykhailo Myronenko, Head of the Parliamentary Committee on Transport and Communications)
- **Draft Law #10231 “On Amendments to the Land Code of Ukraine Regarding the Procedure of Conducting Land Auctions” (Mr. Grygoriy Kaletnik, Head of the Parliamentary Committee on Agricultural Policy and Land Relations)**
- **Draft Law #10456 “On Amendments to Article 3 of the Law of Ukraine ‘On the State Support of Agriculture of**

Ukraine” (regarding regulation of the purchase price of milk) (Mr. Hryhorii Kaletnik, Head of the Parliamentary Committee for Agricultural Policy and Land Relations)

- On the Draft Law of Ukraine #9379 **“On Prohibition of Provision of Collection Services Relating to Physical Persons-Debtors” (Mr. Vitaliy Khomutynnik, Head of the Parliamentary Committee on Finance, Banking, Tax, and Customs Policy)**
- Draft Law #10331 “On Amendments to the Tax Code Of Ukraine (Regarding Increase of Income of the State Budget for Social Program Implementation)” **(Mr. Mykola Azarov, Prime Minister)**
- Draft Law #10452 “On Amendments to the Tax Code of Ukraine regarding Harmonization of Certain Provisions of the Tax and Customs Legislation” as well as of the Tax and Customs Codes of Ukraine **(Mr. Vitaliy Khomutynnik, Head of the Parliamentary Committee on Finance, Banking, Tax, and Customs Policy)**
- Draft Law #10224 “On Amendments to the Tax Code of Ukraine Regarding the State Tax Service in the Context of Conducting Administrative Reform” **(Mr. Mykola Azarov, Prime Minister of Ukraine and Mr. Vitaliy Khomutynnik, Head of the Parliamentary Committee on Finance, Banking, Tax, and Customs Policy)**
- **Draft Law “On Amendments to the Tax Code of Ukraine Regarding Improvement of Some Provisions of the Tax Code of Ukraine”** (the Ukrainian League of Industrialists and Entrepreneurs)
- **Draft Law #9661 “On Amendments to the Tax Code of Ukraine Regarding Improving Several Tax Provisions”** (the Parliamentary Committee for Finances, Banking Operation, Tax and Customs Policies)



Ukrainian Government Relations

- Regarding the form and the procedure for filling in tax invoices (**Mr. Yuriy Kolobov, Minister of Finance**)
- **Draft Law “On Amendments to the Tax Code of Ukraine Regarding the Issues of Taxation of Corn Seeds”** (**Mr. Mykola Prysyazhnyuk**, Minister of Agricultural Policy and Food)
- CMU Resolution #932 (the Ministry of Health and the Ministry of Economic Development and Trade)
- **Draft Law “On Certain Questions of Medicinal Product Circulation”** (the Ministry of Health regarding the Draft CMU Resolution)
- **Draft Cabinet of Ministers of Ukraine Resolution “Issues of Declaration of Changes in Wholesale and Retail Prices for Medicinal Products and Medicinal Devices Purchased with State and Local Budget Funds”** (the Ministry of Health)
- **Draft Order “On Amendments to the License Conditions for Carrying out Economic Activity for Producing Medicinal Products, Wholesale, and Retail Trade of Medicinal Products”** (Ms. Raisa Bohatryyova, Vice Prime Minister, Minister of Health)
- **Draft Order “The Procedure for Calculating the Threshold Level of Wholesale and Retail Prices for Medicines for Treatment of Patients with Hypertension”** (Ms. Raisa Bohatryyova, Vice Prime Minister, Minister of Health, Mr. Oleksii Solovyov, Head of the State Service on Medicinal Products, and Mr. Mykhailo Nesterchuk, Head of State Expert Center under the Ministry of Health).
- **Draft Law #10562 “On Amendments to Certain Laws of Ukraine Regarding Import Licensing of Medicinal Products and Regarding Definition of the Term ‘Active Pharmaceutical Ingredient’”** (the Ministry of Health,

Verkhovna Rada, State Service on Medicinal Products, and National Security and Defense Council)

- **Draft Law #10560 “On Amendments to the Legislative Base of Ukraine on Healthcare Regarding Establishing Restrictions during Professional Activities of Management and Employees of Medical and Pharmaceutical (Pharmacy) Establishments”** (the Ministry of Health and Verkhovna Rada)
- **Draft Law #10561 “On Amendments to Certain Legislative Acts of Ukraine Regarding Strengthening Responsibility for Falsification or Circulation of Counterfeit Medicinal Products”** (the Ministry of Health and Verkhovna Rada)
- **Draft Directive “On Approval of Tariffs for Services Provided by Agencies and Organizations Operating under the Authority of the State Veterinary and Phytosanitary Service, in the Field of Veterinary Medicine, Plant Protection, and**



Ukrainian Government Relations

Protection of Rights for Plant Varieties.” (Mr. Mykola Pryszazhnyuk, Minister of Agricultural Policy and Food)

- **Draft Order “On Amendments to the Ministry of Health Order #426 dated August 26, 2005”** (the Ministry of Health, State Service on Medicinal Products, and State Expert Center under the Ministry of Health)
- **Draft Law #10563 “On Amendments to Certain Laws of Ukraine Regarding a Ban on Advertising of Medicinal Products”** (the Ministry of Health and Verkhovna Rada)
- Draft Resolution of the Cabinet of Ministers of Ukraine **“On Certain Questions of Medicinal Product Circulation”** (the Ministry of Health and the State Service on Medicinal Products)
- Draft Order **“On Amendments to the Ministry of Health of Ukraine Order #391 dated October 30, 2002”** (the Ministry of Health and the State Service on Medicinal Products)
- Order #98 of the Ministry of Health **“On Interaction Between the Office for Development of the Pharmaceutical Sector of the Healthcare Industry of the Ministry of Health of Ukraine and Public Enterprise ‘The State Expert Center of the Ministry of Health of Ukraine’”** (the Ministry of Health)
- CMU Resolution #932 **“On Improvement of Government Regulation of Prices for Medicines and Medicinal Products Procured from the State and Local Budgets”** (the Cabinet of Ministers)
- Draft Law **“On Amendments to Article 9 of the Law of Ukraine ‘On Medicinal Products’”** (the Administration of the President, Cabinet of Ministers, Parliamentary Healthcare Committee, and Ministry of Healthcare)
- Draft Order **“On Amendments to the Ministry of Health of Ukraine Order #391 dated October 30, 2002”** (the Ministry of Health and State Service on Medicinal Products)

- Draft Order **“On Certain Issues Regarding the Ban on Advertising of Medicinal Products”** (the Ministry of Health)
- On the Draft Law **“On Amendments to the Law of Ukraine ‘On Licensing of Certain Types of Economic Activity’ Regarding Import Licensing of Medicinal Products”** (Ms. Raisa Bohatyryova, Vice Prime Minister and Minister of Health),
- Draft Resolution of the Cabinet of Ministers **“Issues of Declaration of Changes of Wholesale and Retail Prices for Medicinal Products and Medicinal Devices Purchased by State and Local Budgets”** (the Ministry of Health)
- Law #4196-VI **“On Amendments to Certain Healthcare Legislation Regarding Strengthening Control over Turnover of Medicinal Products, Food Products for Special Dietary Consumption, Functional Food Products and Dietary Additives”** (the State Inspection of Consumers Rights Protection and Parliamentary Committee on Healthcare)
- Draft Cabinet of Ministers Resolution **“Issues of Declaration of Changes in Wholesale and Retail Prices for Medicinal Products and Medicinal Devices Purchased with State and Local Budgets Funds”** (the Ministry of Health)
- Law of Ukraine #4496-VI **“On Amending Some Legislative Acts with Regard to the Customs Code of Ukraine’s Adoption”** (the President of Ukraine)
- Draft Law #9539-1 **“On Amendments to Certain Laws of Ukraine Regarding Subsoil Use”** (Mr. Valeriy Kharlim, People’s Deputy)
- The normative acts and draft normative acts of the Cabinet of Ministers and Ministry of Finance in the sphere of customs legislation for harmonization with the Customs Code of Ukraine (Mr. Yuriy Kolobov, Minister of Finance)



Ukrainian Government Relations

- Draft Order of the Ministry of Finance **“On Approval of Instruction on Procedure of Filling Cargo Customs Declaration”** (the Ministry of Finance)
- On regarding certain provisions of the Customs Code of Ukraine, in particular on customs control, valuation, and regimes (**Mr. Igor Kaletnik, Head of the State Customs Service**)
- Law of Ukraine **“On the Customs Tariff of Ukraine”** Regarding Bringing Customs Duty Rates into Compliance with WTO Criteria (**Mr. Vitaliy Khomutynnik, Head of the Parliamentary Committee of Finance, Banking, Tax, and Customs Policy**)
- Ministry orders #327 and #397 stipulating cancellation of technical specifications for premium oil products (the Ministry of Economic Development and Trade)
- **Draft Law of Ukraine #10571 “On the Main Aspects of Electricity Market Functioning in Ukraine”** (Mr. Mykola Martynenko, Head of the Committee on Fuel and Energy Complex, Nuclear Policy and Nuclear Safety of the Verkhovna Rada)
- The Procedure for Accessing the Unified Gas Transport System of Ukraine (**Mr. Sergiy Titenko, Head of the National Commission for State Energy Regulation**)
- Vital issues related to gas market regulation in Ukraine (**Mr. Sergiy Titenko, Head of the National Commission for State Energy Regulation**)
- **Draft Law #9539 “On Amendments to the Subsoil Code of Ukraine Regarding Special Permissions for Subsoil Use”** (Mr. Anatolii Semynoga, Head of the Parliamentary Committee on Environmental Policy, Use of Natural Resources, and Elimination of Consequences of the Chornobyl Disaster)
- Revision of the Ministry’s orders #327 and #397 stipulating cancellation of technical specifications for premium oil products (the Ministry of Economic Development and Trade)

- Procedure for Accessing the Unified Gas Transport System of Ukraine (**Mr. Sergiy Titenko, Head of the National Commission for State Energy Regulation**)
- Resolution of the Cabinet of Ministers of Ukraine **“Certain Issues of Labeling Alcoholic Drinks and Tobacco Products”** (**Mr. Mykola Azarov, Prime Minister, Mr. Valerii Khoroshkovsky, First Vice Prime Minister, and Mr. Yurii Kolobov, Minister of Finance**)
- **Draft Law “On Amendments to Certain Legislative Acts of Ukraine on Certification of Foodstuffs”** (the Ministry of Agrarian Policy and Food)
- **Draft Law # 10443 “On Amendments to the Law of Ukraine ‘On Milk and Dairy Products’”** (Mr. Petro Poroshenko, Minister of Economic Development and Trade)
- Resolution of the Cabinet of Ministers of Ukraine **“Certain Issues of Labeling Alcoholic Drinks and Tobacco Products”** (**Mr. Mykola Azarov, Prime Minister, Mr. Valerii Khoroshkovsky, First Vice Prime Minister, and Mr. Yurii Kolobov, Minister of Finance**)



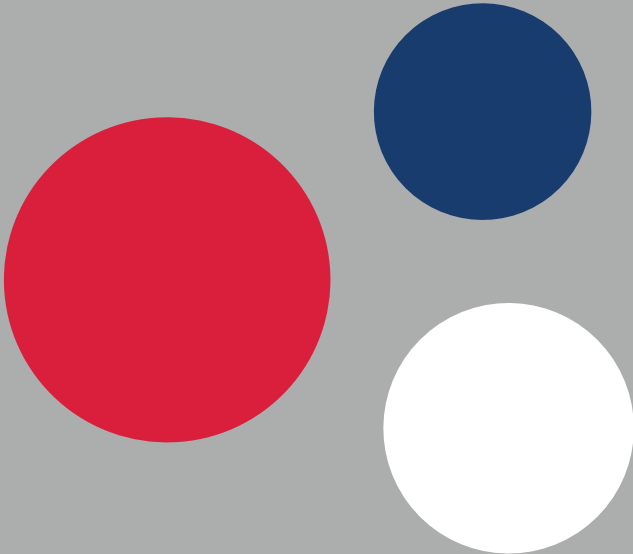
Ukrainian Government Relations

**shkovsky, First Vice Prime Minister, and Mr. Yurii Kolo-
bov, Minister of Finance)**

- Law of Ukraine #5012-VI "On Amendments to Certain Legislative Acts of Ukraine Regarding Payment for Joining the Network of Subjects of Natural Monopolies" (the **President of Ukraine**)
- Draft Law #10656 "On Amendments to Certain Legislative Acts of Ukraine Regarding Functioning of Payment Systems and Development of Cashless Payments" (Mr. Vitaliy Khomutynnik, Head of the Parliamentary Committee on Finance, Banking, Tax, and Customs Policy)
- Draft Law "On Amendments to Certain Legislative Acts of Ukraine Regarding Reduction of the Number of Permission Documents" (Mr. Petro Poroshenko, Minister of Economic Development and Trade)
- Draft Law #10472 "On Amendments to Certain Legislative Acts of Ukraine Regarding Personal Data Protection" (Mr. Maxym Lutskyi, Head of the Parliamentary Committee on Science and Education)
- Draft Law "On Employment" (the Parliamentary Committee on Social Policy and Labor)
- Introducing the English language in provision of residence permits (Mr. Vitaliy Zakharchenko, Minister of Internal Affairs)
- Issues of the system of hotel classification and the procedure for defining hotel categories (Mr. Borys Kolesnikov, Vice Prime Minister and Minister of Infrastructure, as well as other relevant government institutions)
- Amendments to Ukrainian legislation concerning dual listing of securities (the Verkhovna Rada Committee for Finance, Banking, Tax, and Customs Policy)
- Registration of joint and several creditors in transactions secured by pledge (mortgage) (Mr. Oleksandr Lavrynovych, Minister of Justice)

- Incentive Regulation (Mr. Volodymyr Lytvyn, Chairman of the Verkhovna Rada)
- Draft Law #9654 "On Amendments to the Law of Ukraine 'On Licensing of Certain Types of Economic Activity'" (Ms. Natalia Korolevska, Head of the Parliamentary Committee on Industrial and Regulatory Policy and Entrepreneurship)
- Draft Law #10047 "On Amendments to Certain Legislative Acts of Ukraine Regarding Humanization of Criminal Responsibility in the Field of Intellectual Property" (Mr. Viktor Shvets, Head of the Committee on Legislative Support of Law Enforcement of the Verkhovna Rada)
- Law of Ukraine #5012-VI "On Amendments to Certain Legislative Acts of Ukraine Regarding Payment for Joining the Network of Subjects of Natural Monopolies" (the President of Ukraine)
- Draft Law "On Amendments to Certain Legislative Acts of Ukraine on Decreasing the Number of Licensing Documents" (the State Service of Ukraine for Regulatory Policy and Entrepreneurship Development)
- Resolving the convertibility issue (Mr. Sergiy Arbuzov, Head of the National Bank of Ukraine)
- Draft Law #9443 "On Internal Trade" (Mr. Petro Poroshenko, Minister of Economic Development and Trade)
- Draft Law of Ukraine #9379 "On Prohibition of Provision of Collection Services Relating to Physical Persons-Debtors" (Mr. Vitaliy Khomutynnik, Head of the Parliamentary Committee on Finance, Banking, Tax, and Customs Policy)
- Draft Law "On Employment" (Mr. Sergiy Tigipko, Vice Prime Minister and Minister of Social Policy).



[illegible]

2012-2013 Partnership for Ukraine to Successfully Compete in the Global Economy

The Partnership for Ukraine to Successfully Compete in the Global Economy (Partnership) is a comprehensive project of the American Chamber of Commerce in Ukraine aimed at increasing Ukraine's competitiveness.

The Chamber concentrates all its resources and unites the efforts of partners from the business, expert, diplomatic, and international communities, as well as from the government, to reach this comprehensive goal. One of the most important components of the project is the action-oriented document usually referred as the Competitiveness Partnership Report, which was first published by the American Chamber of Commerce in Ukraine in 2009. It is a special working product of the Chamber, developed with input from the Chamber Board of Directors, the Chamber Committees, the Chamber Working Groups, and the Chamber Policy Team, in conjunction with numerous respected analysts and experts. Its primary goal is to unite key policy makers and the private sector in building a strong and competitive Ukrainian economy. Every year the Report includes a special section on the issues that the Chamber believes to be of the utmost importance for the country. This year the Chamber emphasized the importance of consistent and transparent long-term relations between the government and the private sector and included a section on the status and prospects of public-private partnerships (PPP) in Ukraine.

The Report includes an Action Plan of Policy, Legal, and Regulatory Reforms that provides a basis for the Partnership and provides a list of steps that Chamber Members and Partners believe need to be taken. It includes a synthesized table of the necessary amendments under the current conditions of global economic crisis, methods for dealing with serious new

international economic and political challenges, and steps for implementing crucial socioeconomic reforms.

The Chamber has targeted eight key economic sectors and six state policy areas for implementation within this Partnership and selected indicators to measure Ukraine's progress towards increased competitiveness. These are:

Economic Sectors:

- Agriculture
- Banking and Financial Services
- Fuel and Energy
- Hospitality and Tourism



2012-2013 Partnership for Ukraine to Successfully Compete in the Global Economy

- Information and Communication Technologies
- Logistics and Transportation
- Real Estate and Construction Development
- Retail Trade

State Policies:

- Anti-Bribery Policy
- Customs Policy
- Healthcare Reform
- Human Resources and Labor Policy
- Tax Policy
- Intellectual Property Rights Protection.

The Report was submitted to all relevant government agencies as general recommendations from the Chamber; developed in conjunction with the Chamber Board of Directors, Committees, and Working Groups.

It will be also used as a focal point for developing the Chamber's coalition with its partners. In 2012 the Chamber intensified even more its cooperation with different institutions, taking the Partnership to a whole new level: now it is perceived not only as a strong instrument of the Chamber's internal and external communication, but also as a concept for building and developing strong and fruitful relations among all stakeholders.

The Chamber Policy Team has been working on communicating about the Partnership to different officials, organizations, and allies:

- English and Ukrainian versions of the Partnership Report have been sent to all representatives of the Ukrainian government with which the Chamber has been working on relevant policy issues;

- The Partnership project has been presented to a wide number of state authorities during special policy meetings with the Chamber Leadership;

- Hard copies have been delivered to ambassadors, members of the Diplomatic Insiders Club, and NGO and IFI leaderships;

- Special pages on the Chamber's website and on the websites of our Partnership Coalition Members have been updated, highlighting all developments;

- Partnership banners have been placed on the sites of Chamber's Partnership Coalition Members.

By the end of 2012 the Chamber had doubled the membership of its Partnership coalition since the beginning of the year to include such authoritative organizations as the Ministry of Foreign Affairs of Ukraine; the Verkhovna Rada Committee for Banking, Finance, Tax, and Customs Policy; the Ukrainian National Committee of the International Chamber of Commerce; the Ukrainian League of Industrialists and Entrepreneurs; the International Center for Policy Studies; and more.

The regional aspects of Ukraine's competitiveness became a new aspect of the Chamber's activities in 2011, and continued in 2012. The new regional initiative is in conjunction with the Foundation for Effective Governance and provides a comprehensive picture of regional development and ratings based on World Economic Forum methodology. The Chamber's role in this partnership lies in providing realistic, easy to use, and inexpensive recommendations that will help increase regions' comparative advantages. Donetsk, Dnipropetrovsk, Kharkiv, Lviv, and Odesa oblasts were used as pilot case studies. In 2012 we developed recommendations for each region. Currently these are under consideration of the relevant regional authorities.





Chamber Committees and Working Groups

Chamber Committees

- Agricultural Committee
- Banking and Financial Services Committee
- Customs Committee
- Food and Beverage Committee
- Fuel and Energy Committee
- Healthcare Committee
- Hospitality and Tourism Committee
- Human Resources Committee
- ICT Committee
- Intellectual Property Rights Committee
- Logistics and Transportation Committee
- Real Estate Committee
- Tax Committee

Chamber Working Groups and Councils

- Anti-Corruption Working Group
- Antimonopoly Working Group
- Working Group on Bar Legislation
- Working Group on Internal Trade
- Overseas Security Advisory Council (OSAC)

Chamber Clubs

- Diplomatic Insiders Club
- Marketing Club
- PR Club
- Toastmasters Club



Chamber Agricultural Committee

Responsible Board Member and Co-Chair:

Mikhail Ganevitch, Cargill AT, LLC

Co-Chair:

Ivan Miroshnichenko, Noble Resources Ukraine

Secretary:

Oleg Samus, Suntrade S.E. / Bunge Ukraine

Mission: The Chamber Agricultural Committee supports and promotes the development of the Ukrainian agricultural sector. The Committee's main goals include developing the Ukrainian agricultural sector through positive interaction with policymakers and other stakeholders.

Developing a more efficient and competitive agricultural industry based upon free market principles is among the Chamber's main Policy Priorities for 2012. The Agricultural Committee is one of the most important and beyond. Chamber advocacy platforms, addressing issues within the Ukrainian agricultural industry. It is open to all interested Chamber Members. The Committee's main goals include 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 and Food of Ukraine and the Coordination Council on Agricultural Policy under the Cabinet of Ministers of Ukraine. Such memberships will allow proactive advocacy of the Committee's priorities in the future.

Current Committee Priorities:

- Continuing a dialog with all governmental authorities aimed at ensuring predictability, efficiency and transparency of governmental policy in the agricultural sector.
- Continued advocacy for free market principles as the basic precondition for the sustainability and security of the national economy in general and for improving competitiveness and boosting investments in the agricultural sector in particular.
- Resolving issues pertaining to old VAT debt and introducing new taxation policy supporting growth in agriculture, the activities of agricultural producers and timely VAT refunds for exporters.
- Clear up government policy in relation to GMO and food safety using well-developed international standards.
- Ensuring that the agricultural land market efficiently operate in a way that is favorable for the rural population that owns and farms the land, for agricultural producers, and for other key market participants.
- Simplification and liberalization of governmental control procedures (certification, registration, etc.) to create a fa-



Chamber Agricultural Committee

avorable business climate and attract further investments into the agricultural sector.

- Continue holding a leading position in the facilitation of an efficient dialog between all stakeholders in the agricultural sector, including governmental authorities, business and NGOs, regarding various legislative initiatives related to the economy at large and the agricultural sector in particular.
- Provide effective, timely, and quality information for Chamber Members and to outside counterparts and governmental authorities.

The Committee believes that stable and predictable grain export is a major driver for developing an efficient agricultural sector in Ukraine. The Chamber has always played a proactive role in resolving grain trade issues and maintaining an efficient dialog with the government of Ukraine in order to avoid policy complications in grain trade. To ensure stable ground in this field, the Memorandum of Understanding on export, which proposes declaring exports and establishing export limitations for 2011-12 MY, was signed by a Chamber-led group of NGOs representing the interests of major agricultural sector players and the Ministry of Agricultural Policy and Food. This has allowed the industry to operate under stable conditions and maintain an efficient dialog. The Memorandum has also helped in avoiding the introduction of export restrictions by the government. This year, despite unfavorable grain harvest forecasts, we again signed the Addendum to the Memorandum of Understanding between the Ministry of Agricultural Policy and Food of

Ukraine and Legal Entities-Grain Exporters, which extended the status quo into the 2012/13 marketing year. Given the positive results achieved in 2011/12 MY, we today expect an improved and more predictable situation. This will positively influence the development of the grain industry in particular and the country's agricultural sector in general.

The current situation concerning licensing documents is a complicated one and is stifling further development of the grain industry. Given this, the Committee initiated a dialog regarding introducing legislative amendments aimed at abolishing the grain quality certification for domestic shipments. The Cabinet of Ministers adopted the resultant resolution, which will lead to the more efficient use of available



Chamber Agricultural Committee

assets and resources in the industry. The resolution will also be beneficial for the interests of both the government of Ukraine and the business community.

Thanks to efforts of the Chamber Agricultural Committee Leadership, we are gaining ground in the hard-fought battle for the VAT system in Ukraine. We have always advocated for VAT administration schemes that ensure an equal competitive position for all market players. Chamber efforts have resulted in a presidential veto of the Draft Law #8521 "On Amendments to the Tax Code of Ukraine and Other Legislative Acts of Ukraine on the Simplified System of Taxation, Accounting and Reporting." The President recommended excluding the amendment that would restore the zero VAT rate for export operations with grains and technical crops by agricultural producers or enterprises that bought grain directly from agricultural producers.

We consider VAT administration to be an important factor for agricultural sector development, but it has to be based on international best practices. The Committee held a series of meetings with the State Tax Service leadership on reimbursement of VAT accumulated during previous years. Afterwards a number of specific proposals were sent to the STSU that would allow avoiding further VAT issues and improving VAT administration. As a result of its efforts the Chamber received an official explanation from the STSU regarding the identification of "agricultural producer" status and of the "first intermediary" for the purpose of correct VAT administration in grain trade.

The Agricultural Committee was also effective in maintaining an equal and competitive environment in the dairy sector; a sector that could have been distorted by the initiative to regulate the purchase price of milk. Chamber Members argues that such a move would lead to a significant deterioration of the business environment for milk and dairy producers, increase prices, and reduce product quality. This led to a presidential veto of Draft Law #10456 "On Amendments to Article 3 of the Law of Ukraine 'On State Support of Agriculture of Ukraine,'" which the Verkhovna Rada had passed on June 7.

The Chamber Agricultural Committee has used a number of formal platforms to promote its views and lobbying activities. These include the Domestic and Foreign Investors Advisory Council under the President of Ukraine, the Coordination Council on Agrarian Reform, and the Working Group on Grain Exports under the Ministry of Agrarian Policy and Food of Ukraine. Chamber Members also enjoy efficient direct dialog with leading actors in the agricultural sector. Recently, CEOs from companies on the Chamber Agricultural Committee were invited to hold direct talks with Mr. Mykola Prysyzhnyuk, Minister of Agricultural Policy and Food, as well as with a number of state officials responsible for different sub-sectors of agriculture. In an open and focused dialog, participants discussed the most important issues for the development of the industry, including grain production issues, grain shipment and exports, the weak points in the current licensing system that cause inefficient functioning in the sector, the process of bringing national practices and pro-



Chamber Agricultural Committee

cedures into accordance with European standards, the operational procedures on the part of the controlling bodies and authorities that must be improved for the sake of efficiency, foreign trade issues, meat and dairy production issues, and current imbalances between beer and hops production.

Main committee achievements in 2012:

Signed: the Addendum to the Memorandum of Understanding between the Ministry of Agricultural Policy and Food of Ukraine and Legal Entities-Grain Exporters and Mr. Mykola Prysiashnyiuk, Minister of Agricultural Policy and Food, as well as its Annex #1, which explicitly identifies exportable amounts for various grain crops for 2012/13MY.

Following Chamber Arguments, President Yanukovich vetoed Draft Law #10456 "On Amendments to Article 3 of the Law of Ukraine 'On State Support of Agriculture of Ukraine'" (regarding Regulation of the Purchase Price of Milk), passed by the Verkhovna Rada on June 7.

On May 24, 2012 CEOs of companies on the Chamber Agricultural Committee held an "In-Focus" meeting with Mr. Mykola Prysiashnyiuk, Minister of Agricultural Policy and Food, and a number of state officials responsible for different sub-sectors of agriculture.

The Cabinet of Ministers approved Chamber-initiated legislative amendments aimed at abolishing grain quality certification for domestic shipments.

Following Chamber Arguments, President Yanukovich vetoed Draft Law #8521 "On Amendments to the Tax Code of Ukraine and Other Legislative Acts of Ukraine on the Simplified System of Taxation, Accounting and Reporting" with the recommendation to exclude the amendment proposing to restore the zero VAT rate for export operations with grains and technical crops by agricultural producers or enterprises that bought grain directly from agricultural producers.



Chamber Banking and Financial Services Committee

Responsible Board Member:

Andre Kuusvek, European Bank for Reconstruction and Development

Co-Chairs:

Vladyslav Rashkovan, UniCredit Bank

Klaus Mueller, Prominvestbank

Secretary:

Ihor Olehov, Baker & McKenzie CIS

Mission: To participate in the Ukrainian banking system's development and promote high quality banking standards and values and to support and develop initiatives to create a local banking environment harmonized with the best international banking practices. The Banking Committee has established itself as one of the most active and productive Chamber Committees, one involved in both lobbying and networking activities.

Current Committee Priorities:

- Continuous systematic involvement in fire control types of actions, when laws, resolutions, and regulations can be considered detrimental to the financial industry and/or to the country
- Financial sector tax issues/insurance sector focus in 2012
- Implement IFRS (and not "Ukrainian" IFRS) in the financial sector (with an agreed-upon transition period, starting with provisions at banks)
- Development of the derivatives market in Ukraine: work on a draft law to be presented during H1 2012

- Depository system in Ukraine: keep it under strict governance and keep it professionally owned
- Ratings: develop a rating culture
- Payment systems and development of clearing settlements (card-related): participate in/amend card-related UAH payments (NBU-driven project)
- Liquidity management at banks: Repos development, first; NBU liquidity gaps, second
- Non-resident ownership modifications for banks
- Development of the stock market
- Consumer loan regulatory issues
- Development of SWIFT usage for international bank payments

Main Committee Achievements in 2012:

POLICY WIN: President Vetoed the Law Regulating Mandatory Insurance of Civil Liability of Vehicle Owners

- The President of Ukraine has vetoed and returned for revision the Law of Ukraine "On Amending Certain Laws of Ukraine on Mandatory Insurance of Civil Liability of Vehicle Owners," adopted by the Verkhovna Rada of Ukraine



Chamber Banking and Financial Services Committee

on March 15, 2012. The Presidential veto almost fully incorporates the Chamber's proposals, which it addressed to President Yanukovich on April 5, 2012. The Chamber asked the President to veto the Law and suggested its revision and improvement.

POLICY PROGRESS: Chamber Position on Reloadable Pre-paid Products to Be Considered by the National Bank of Ukraine

- On March 1, 2012 the Chamber sent a letter to the National Bank asking that the requirement that reloadable prepaid products incorporate a chip be excluded from the Regulation on Electronic Money in Ukraine. The National Bank's letter of reply stated that the **Bank of Ukraine is currently working on this issue and will take the Chamber's proposal and arguments into consideration.**

The Chamber has clarified issues pertaining to the Law of Ukraine "On Financial Services and State Regulation of Financial Markets" with the **National Commission for State Regulation of Financial Services Markets**. Mr. Biriuk, Member of the National Commission, held a meeting with the Chamber representatives and briefed the participants on the functions and current activities of the newly established central executive authority. He also highlighted the legislative initiatives to be developed by the Commission in the near future. Mr. Biriuk discussed the prospects of the adoption of the Draft Law "On Insurance" by the Verkhovna Rada. The state officials shared with participants the National Commission's Action Plan for 2012.

A discussion of state debt management issues took place with the participation of the State Debt and International Financial Policy Department, Ministry of Finance.

The Banking and Financial Committee expressed its deep concern over the situation around the Motor (Transport) Insurance Bureau of Ukraine (MTIBU) and commented on Draft Law #10626 "On Amendments to the Law of Ukraine 'On Mandatory Civil Liability Insurance of Vehicle Owners,'" which the Verkhovna Rada adopted in the first reading on July 5.

Several Committee meetings were devoted to issues related to non-performing loans (NPLs). As a result, a list of questions/issues that will improve the legal and tax environment for NPLs in Ukraine was compiled and a separate Working Group was created to deal with them.



Chamber Banking and Financial Services Committee

The Chamber actively lobbied for a number of issues with the National Bank, in particular NBU Resolution No. 246, the enforceability of cross-border suretyships and cross-border foreign currency loans, syndicated loans, and related provisioning issues.

POLICY ENGAGEMENT: Registration of Cross- Border Loans

On February 17, 2012 the Chamber appealed to **Mr. Serhiy Arbuzov, Head of the National Bank**, regarding cross-border loan registration with the National Bank.

POLICY ENGAGEMENT: Electronic Money

On March 1, 2012 a Chamber Letter on the **requirement that reloadable prepaid products incorporate a chip** was sent to **Mr. Serhiy Arbuzov, Head of the National Bank**.

POLICY ENGAGEMENT: Dual Listing of Securities

On March 6, 2012 the Chamber sent a Letter regarding **amendments to Ukrainian legislation concerning dual listing of securities** to the Verkhovna Rada Committee for Finance, Banking, Tax, and Customs Policy. It also developed a Draft Law, an Explanatory Note, and a Comparative Table.

POLICY ENGAGEMENT: Regarding Cross-Border Suretyships

On March 26 the Chamber appealed to **Mr. Serhiy Arbuzov, Head of the National Bank**, requesting that the NBU take steps to resolve the convertibility issue, an issue that

could impede Ukrainian businesses from attracting international financing from foreign creditors.

POLICY ENGAGEMENT: Compulsory Insurance of Civil Liability of Vehicle Owners

On April 5 the Chamber appealed to the President asking him to **veto the Law of Ukraine “On Amendments to Certain Laws of Ukraine on Compulsory Insurance of Civil Liability of Vehicle Owners,”** adopted by the Verkhovna Rada on March 15, 2012.

POLICY ENGAGEMENT: Prohibition on Provision of Collection Services

On April 12 the Chamber addressed **Mr. Vitaliy Khomutnyk**, Head of the Parliamentary Committee on Finance,



Chamber Banking and Financial Services Committee

Banking, Tax, and Customs Policy, with a Position Paper on Draft Law of Ukraine #9379 **“On Prohibition on Provision of Collection Services Relating to Physical Persons-Debtors.”**

POLICY ENGAGEMENT: Using SWIFT in Customer Orders

On May 23 a Chamber Letter was sent to the National Bank of Ukraine regarding further **developments in using SWIFT in customer orders**. Such usage will facilitate workflow between banks and non-resident investors who open accounts in order to carry on investment activity.

POLICY ENGAGEMENT: Registration of Creditors in Transactions Secured by Pledge

On May 23 the Chamber addressed Mr. Oleksandr Lavrynovych, Minister of Justice, with a Position Paper **regarding the registration of joint and several creditors in transactions secured by pledge (mortgage)**.

POLICY ENGAGEMENT: Financial Services and State Regulation of Financial Markets

On May 24 the Chamber appealed to Mr. Andriy Stasevskiy, Head of the National Commission for State Regulation of the Financial Services Markets of Ukraine, **calling for clarification of the Law of Ukraine “On Financial Services and State Regulation of Financial Markets.”**

POLICY ENGAGEMENT: Syndicated Loans

On June 27 the Chamber sent a Position Paper regarding syndicated loans and related provisioning issues to **Mr. Serhiy Arbuzov, Head of the National Bank**.

POLICY ENGAGEMENT: Functioning of Payment Systems and Development of Cashless Payments

On July 2 the Chamber appealed to **Mr. Vitaliy Khomutnyk, Head of the Parliamentary Committee on Finance, Banking, Tax and Customs Policy**, with a Position Paper on Draft Law #10656 “On Amendments to Certain Legislative Acts of Ukraine Regarding Functioning of Payment Systems and Development of Cashless Payments” requesting further improvement of this document.

POLICY ENGAGEMENT: Cross-border Credit (loan) Agreement Registration

On August 15 the Chamber sent a letter to the **National Bank** regarding NBU Resolution No. 246 suggesting the establishment of a certain fixed term within which NBU territorial departments must register cross-border loans according to the amended procedure for registering cross-border credit (loan) agreements with the NBU by resident-borrowers (not banking institutions).

POLICY ENGAGEMENT: Mandatory Civil Liability Insurance of Vehicle Owners

On September 3 a Chamber Letter was sent to **Mr. Khomutnyk, Head of the Parliamentary Committee on Finance, Banking, Tax, and Customs Policy**, with copies



Chamber Banking and Financial Services Committee

going to **Mr. Stasevskiy, Head of the National Commission for Regulation of the Financial Services Market, and Mr. Vizirov, General Manager of the Motor (Transport) Insurance Bureau of Ukraine (MTIBU).** The point was to express deep concern over the situation concerning the MTIBU and to comment on the Draft Law #10626 “On Amendments to the Law of Ukraine ‘On Mandatory Civil Liability Insurance of Vehicle Owners,’” which the Verkhovna Rada adopted in the first reading on July 5.

This Law could have serious repercussions in the insurance market in Ukraine and abroad, and in the media. In addition, the changes could lead to Ukraine’s exclusion from the “Green Card” international system, which could cause considerable financial losses to Ukraine and its citizens, as well as essential damage to its reputation.

POLICY ENGAGEMENT: Functioning of Payment Systems and Development of Cashless Payments

On August 30 the Chamber appealed to **Mr. Khomutynnik, Head of the Parliamentary Committee on Finance, Banking, Tax, and Customs Policy,** regarding Draft Law #10656 “On Amendments to Certain Legislative Acts of Ukraine Regarding Functioning of Payment Systems and Development of Cashless Payments,” with a proposal that Chamber amendments be included in the document.

POLICY ENGAGEMENT: System of Securities Custodian Accounting

On September 18 the Chamber addressed the President of Ukraine with a letter analyzing Draft Law #9428 “**On the System of Securities Custodian Accounting**” and asked for significant improvement of the legislative act before its signing.



Chamber Healthcare Committee

Responsible Board Member:

Mr. Jean-Paul Scheuer, Sanofi-Aventis Ukraine LLC

Co-Chair:

Mr. Borys Danevych, Danevych Law Firm

Secretary:

Ms. Oksana Vasyutinskaya, Sanofi-Aventis Ukraine LLC

Mission: The Chamber Healthcare Committee seeks to improve Ukraine's business environment in the pharmaceutical field; exchange relevant and timely information; organize discussions; and take joint action aimed at promoting the commercial interests of Member pharmaceutical companies.

Current Committee Priorities:

1. Establishing a competitive landscape for the development of the pharmaceutical sector and attracting foreign investment:

- Prevention of discriminatory barriers in the form of complicated procedures for GMP compliance confirmation by foreign manufacturers from PIC/S countries;
- Prevention of import licensing, which is a non-tariff trade barrier;
- Prevention of discriminatory barriers for foreign manufacturers during public procurement procedures;
- Prevention of VAT for imported medicines only;
- Prevention of discrimination against imported products during price registration procedures;

- Ensuring a clear and transparent methodology of state price registration, one that applies equally to all market players.

2. Ensuring a predictable, transparent, and efficient regulatory system in the pharmaceutical sector to create a real basis for improving investment attractiveness:

- Securing stable, transparent, and efficient regulation of quality control of imported medicines;
- Promoting a ban on additional unnecessary/costly regulatory procedures (in line with the President's declarations);
- Prevention of unreasonable changes in the market authorization procedure (e.g. the issue pertaining to registered medicinal products that bear medical devices as integral parts).

3. Ensuring sufficient intellectual property rights protection of medicinal products:

- Prevention of an unreasonable decrease in the level of IPR protection in the Law on Medicinal Products (as recently proposed by the government);
- Development of IPR enforcement in the pharmaceutical sector as regards data exclusivity and patents (e.g.



Chamber Healthcare Committee

through facilitating co-ordination between the State Expert Center and the State Service for Intellectual Property);

- Ensuring transparency of IP litigation (e.g. through a publicly available web resource for related judicial documents).

Main Committee Achievements:

STAKEHOLDER INTERACTION: In February 2012 the Committee Co-Chair joined the **Coordination Council for Regulatory Affairs of the Pharmaceutical Sector under the Ministry of Health of Ukraine**. This supporting institution was created to respond to issues related to the circulation of medicinal products; draft regulatory acts; advise on the further improvement and enforcement of the regulatory base; and advise on relations between the state bodies involved in pharmaceutical sector issues.

POLICY PROGRESS: Compromise achieved regarding **advertising of OTC medicinal products via adoption of the Law of Ukraine #4196-VI "On Amendments to Certain Healthcare Legislation Regarding Strengthening Control over Turnover of Medicinal Products, Food Products for Special Dietary Consumption, Functional Food Products and Dietary Additives."** The Law stipulates that certain OTC products cannot be advertised, but does not totally ban OTC product advertising. Committee members helped develop the Law's criteria.

POLICY PROGRESS: The State Customs Service of Ukraine has stopped **qualifying medicinal products containing ethanol as alcoholic drinks** after a Ministry of Health intervention at the Committee's request. Previously, the State Customs Service demanded that all medicinal products con-

taining ethanol be transferred to the alcoholic drinks category, a category for which excise duty must be paid.

POLICY PROGRESS: The State Customs Service gave pharmaceutical businesses the right to **choose any authorized customs office in Ukraine for customs clearance** of their goods regardless of the place in which the importer is registered. It also canceled the requirement that customs control and customs clearance of medicinal products within Kyiv Region be concentrated at the Biokon customs licensed warehouse.

POLICY PROGRESS: The Committee helped develop amendments to the **regulation on conducting clinical trials in Ukraine** as stipulated by Ministry of Health Order #523 "On Amendments to Ministry of Health Order #690 dated September 23, 2009."

POLICY PROGRESS: The Committee was actively involved in the development of the new **price declaration model**,



Chamber Healthcare Committee

expressing its position during several meetings in April and May. On August 13th, 2012 **Resolution of the Cabinet of Ministers of Ukraine #794** “Issues of Declaration of Changes in Wholesale and Retail Prices for Medicinal Products and Medicinal Devices Purchased with State and Local Budgets Funds” was adopted, establishing a more efficient and clear price declaration model instead of the previous price registration mechanism that CMU Resolution #932 stipulated.

STAKEHOLDER INTERACTION: In July 2012 the Committee Leadership was included in the **Working Groups on Development of Normative Acts under the Ministry of Health of Ukraine**. These working groups work on: regulating mark-ups on medicinal products; restricting circulation of medicines with codeine; finalizing changes to regulation of imported product quality control; amending the procedure for confirming GMP compliance; amending the procedure of state registration of medicinal products; and other issues.

Lobbying Engagements and Important Committee Meetings in 2012

On January 20, 2012 the Chamber participated in a meeting that included **Ms. R. Moiseyenko, First Deputy Minister of Health of Ukraine**, and representatives of business associations. The latter expressed their concerns regarding the lack of a legal basis and the possible negative effects of the requirement for mandatory registration of medical devices that are supplements to medicinal products. The Ministry of Health State Expert Center (SEC) had recently stipulated these requirements. Ms. Moiseyenko agreed that

the current situation has no legal grounds and that the issue should be resolved within the existing regulatory framework. Ms. Moiseyenko also proposed creating a Coordination Council on pharmaceutical issues as a supporting body for the Ministry of Health.

On February 24, 2012 the Chamber Healthcare Committee held a meeting with the **representatives of the Ministry of Economic Development and Trade** to discuss price registration of medicinal products. **Ms. Olena Osinkina, Presidential Committee on Economic Reforms, joined the meeting to present** three areas of healthcare reform implementation: general reform of the healthcare sector; reforms in the pilot regions; and the “New Life” national project.

On February 28, 2012 the Committee Leadership participated in a working meeting headed by **Ms. Galina Kalish-**



Chamber Healthcare Committee

enko, Deputy Minister of Health. The meeting reviewed marginal marketing and retail mark-ups for medicinal products and medical devices.

On March 2, 2012 the Chamber Healthcare and IPR Committees held a joint meeting with **Mr. Anton Lipukhin, Deputy Director of the Legal Support and International Relations Department and Head of the Medicines Turnover Legal Support Section of the State Expert Center under the Ministry of Health of Ukraine.** The goal was to discuss IPR legislation in the pharmaceutical sector. **Mr. Yuriy Savko** and **Mr. Vitaliy Gordienko**, special guests from the **Association of Pharmaceutical Research and Development (APRaD)**, expressed their willingness to cooperate with the Chamber Committees to improve IPR legislation in the pharmaceutical sector.

On March 13, 2012 the Committee Leadership participated in a working meeting organized by the **Ministry of Health.** The meeting addressed the recently adopted **Order #98** "On Interaction Between the Office for Development of the Pharmaceutical Sector of the Healthcare Industry of the Ministry of Health of Ukraine and the Public Enterprise "State Expert Center of the Ministry of Health of Ukraine." The Order critically changes the procedure for state registration of medicinal products in Ukraine.

On March 29 a number of Chamber Member Companies active on the Healthcare Committee participated in the **Forum on Implementation of Production Certification and Good Manufacturing Practice (GMP) Compliance in Ukraine.** The event was organized by the State Service on Medicinal Products and the State Training Center for Good Manufacturing/Distribution Practices with the goal of clarifying the following issues:

implementing medicinal product certification, time gaps in the GMP compliance confirmation procedure, necessary amendments to normative acts, and other issues.

On April 20 the Committee Leadership attended a meeting with **Ms. Raisa Bohatyryova**, Deputy Prime Minister, Minister of Health of Ukraine; **Mr. Oleksiy Solovyov**, Head of the State Service on Medicinal Products; and **Mr. Mykhaylo Brodsky**, Chairman of the State Service for Regulatory Policy and Entrepreneurship Development of Ukraine. The meeting gathered representatives of associations uniting international pharmaceutical producers and was devoted to the draft Resolution of the Cabinet of Ministers "**On the Pilot Project on Introduction of State Regulation of Prices of Medicines for Patients with Hypertension.**"

On June 5 the Committee gathered Chamber Members for a Special Chamber Healthcare Committee Meeting with representatives of the State Expert Center under the Ministry of Health of (SEC). **Mr. Mykhailo Nesterchuk, newly appointed General Director of the SEC**, and the other participants discussed the registration and re-registration of medicinal products, the regulation of clinical trials in Ukraine, biosimilars legislation, in-bulk imports, and the SEC's cooperation with the State Customs Service.

On June 14 the Chamber Healthcare and Customs Committee held a joint meeting on customs clearance of medicinal product procedures according to the new Customs Code. Present were representatives of the **State Customs Service, the Kyiv Regional Customs Office**, and the **State Expert Center under the Ministry of Health.**



Chamber Healthcare Committee

On June 21 Committee Members discussed the state regulation of pharmaceutical market as well as the introduction of licensing for imported medicinal products with **Mr. Mykhailo Brodsky, Chairman of the State Service for Regulatory Policy and Entrepreneurship Development**, and **Mr. Oleksii Solovyov, Head of the State Service on Medicinal Products**, at the in-focus meeting that the Chamber organized.

On July 11 the Committee hosted yet another meeting with the participation of **Mr. Oleksii Solovyov, Head of the State Service on Medicinal Products**, and **Ms. Natalya Lytvynenko, Deputy Head of the Department of Licensing and Certification of the State Service**, to discuss issues of importance for the pharmaceutical sector. These include establishment of import licensing procedures for medicinal products and GMP certification/confirmation procedures.

In September the Committee, jointly with the Chamber Food and Beverage Committee, held several working meetings with **Mr. Ruslan Bortnik**, a co-author of the **Law of Ukraine “On Foundations of State Language Policy,”** on amendments to **Article 26 of the Law** regulating the language of labeling and directions for using goods. On September 28 the Committee gathered representatives of the State Service on Medicinal Products, the State Expert Center under the Ministry of Health, the Association of Manufacturers of Medications, the All-Ukrainian Council for Patients’ Rights and Safety, and Member Companies to discuss the amendments.

STAKEHOLDER INTERACTION: In 2012 the Committee developed **close cooperation with associations representing international pharmaceutical producers in**

Ukraine by participating in a number of joint meetings and co-signing several position papers.

STAKEHOLDER INTERACTION: Throughout the year, the Committee was actively involved in the activities of the **Public Council under the Ministry of Health** (mainly within the **Commission on Pharmaceutical Sector Development of the Public Council**) and of the **Public Council under the State Service on Medicinal Products** (including a meeting with **Mr. Oleksii Solovyov, Head of the State Service of Ukraine on Medicinal Products**).



Chamer Customs Committee

Responsible Board Member:

Mr. Peter Chernyshov, Carlsberg Ukraine

Co-Chairs :

Mr. Igor Dankov, PwC

Mr. Vitaliy Naumenko, KPMG-Ukraine Ltd.

Secretary:

Mr. Alexandr Gutsal, Carlsberg Ukraine

Mission: To contribute to the development of customs legislation that is simple, modern, adaptable, realistic and tangible; to develop a professional forum for discussing customs issues and to serve as a communication channel for Chamber Members with the State Customs Service of Ukraine.

Priorities for 2012:

- Lobbying on behalf of Chamber membership - helping Chamber Member companies in their dialogue with the Customs Service and other agencies and in resolving disputes with the customs authorities.
- Participation in the review of the Draft Customs Code, developing new regulatory documents based on it.
- Harmonization of customs valuation with WTO rules.
- Promoting simplification of customs procedures on the basis of the Kyoto Convention.
- Informing businesses about the development of customs legislation.
- Promoting relations with the State Customs Service by organizing meetings with the Service's Mr. Igor Kaletnik and

by continuing collaboration with the Service's Mr. Sergiy Syomka.

- Participating in the development of the revised Customs Code.
- Holding a seminar on the new Customs Code after the Verkhovna Rada adopts it and the President of Ukraine signs it.
- Promoting relations between the Chamber Customs Committee and the Ministry of Finance and Cabinet of Ministers; fostering Committee Member participation in developing procedures for applying royalty charges in the customs value of imported goods, in defining customs value, and in applying customs regimes.

Lobbying Engagements:

• Elaborating the new Customs Code of Ukraine

The Chamber Customs Committee's experts worked on elaborating important parts of the new Customs Code. Their work included harmonizing customs procedures and formalities, bringing them into accordance with the International Convention on the Simplification and Harmonization



Customs
Committee



Chamer Customs Committee

of Customs Procedures (Kyoto Convention) and with European legislation. The experts' attention was focused on the most problematic aspects of customs legislation: customs valuation, selected classification and origin issues, customs post-entry audits and appeal procedures, declaration of goods to customs, and modernization of customs regimes.

After the first reading of the draft Customs Code, the Chamber expressed its concerns regarding these provisions of the Code and shared the position of the business community, appealing to the President. After taking these proposals into consideration, on December 21, 2011, the President returned the Customs Code with his comments to the Verkhovna Rada in order not to narrow the existing rights and freedoms of citizens.

Due to Chamber efforts, the new Customs Code contains the following proposals for improving customs procedures:

- Customs clearance at any customs office regardless of the place of registration of the importer;
- The possibility of amending customs declarations for three years after customs clearance;
- The possibility of re-exporting goods to a non-resident in case of failure to fulfill contractual commitments, plus reimbursement of customs duty;
- Partial exemption from customs duty (in addition to VAT) in case of temporary import of goods that do not qualify under the Annexes to the Convention on Temporary Import (Istanbul, 1990);

- Time limit for customs clearance procedures (no more than four hours);
- The concept of the so-called "Authorized Economic Operator";
- Improved customs procedures (especially re-export, re-import, processing, etc.), which will improve opportunities for doing business;
- Customs treatment of royalties remains unclear until the relevant procedure is approved by the government.

The Chamber sent a Letter to the President of Ukraine regarding its support of the Customs Code and asked him to implement the innovations it contains by signing this important legislative act.

We are proud to state that on April 19 the Chamber's extended lobbying campaign ended in the signing of the new Customs Code of Ukraine (#4495-VI) by the President of Ukraine.

• Cooperation with the State Customs Service of Ukraine

The Chamber was very pleased to continue its close and effective working relationship with the State Customs Service. In particular, there recently took place an "In-Focus meeting" with **Mr. Ihor Kaletnik, Head of the State Customs Service, and other representatives of the State Customs Service on February 13th**. The meeting allowed Chamber Member Companies to provide professional feedback and deliver their concerns and recommendations dur-



Chamer Customs Committee

ing the reform process. The Committee members had the opportunity to discuss issues of general concern to all importing companies, particularly the publication of the customs value database by the State Customs Service, e-declarations, and new fines for violations of customs rules.

The Committee also continues its ongoing cooperation with the SCSU in order to ensure prompt solutions to the customs clearance problems that Chamber member companies face.

Important Meetings in 2012

On February 24 the **Chamber Customs Committee** held a meeting devoted to recent legislative developments in the customs sphere. This time Chamber Member Companies could address their questions and concerns directly to representatives of the **Ministry of Finance: Mr. Sergey Bedash and Mr. Oleksiy Lishenko, Department of Tax and Customs Policy and Financial Accounting Methodology.**

In discussing cooperation between the Ministry of Finance and the Chamber Customs Committee with regard to developing and drafting the statutory regulations stipulated by the new Customs Code, the parties agreed to continue to cooperate to foster best international experiences in Ukrainian customs regulations.

On March 23 the Committee held its regular meeting, with the participation of representatives of the State Customs Service. The meeting addressed how to strengthen interaction with the

Service in order to solve common tasks and make sure that revenues go to the state budget in a timely manner.

On April 11 Chamber President **Jorge Zukoski** and the Chamber **Customs Committee Leadership** met with **Mr. Dmytro Polishchuk, Head of the Kyiv Regional Customs Office**, to discuss important issues that Member Companies are currently facing with regard to customs clearance. To ensure better customs representation, **Mr. Sergiy Siomka, Director of the Department of the Organization of Customs Control and Clearance of the State Customs Service; Mr. Sergii Gila, Director of the Customs Payments Department; Mr. Yaroslav Prokopenko, Deputy Director**



Chamer Customs Committee

of the Department of Struggling against Smuggling and Corruption and Risk Analysis Activity; and Mr. Sergii Djigalov, Department of Classification of Goods and Foreign Economic Activity; joined the meeting.

The parties discussed the State Customs Service's position regarding such hot issues as the new Customs Code's adoption; the frequent discrepancies in customs valuation determination based on the price actually paid (transaction value); customs post-audit; the determination of origin of goods under free trade agreements; problematic issues regarding application certificates of origin; and other issues related to performing customs clearance procedures for medicinal products and equipment at the Kyiv Regional Customs House.

The Chamber Customs Committee and the State Customs Service leadership agreed that Chamber Member Companies should be able to express their concerns and submit questions regarding customs clearance and customs valuation issues directly to Service representatives during individual consultations. On April 12 the first meeting on these issues took place.

On April 20 the Chamber Customs Committee participated in a **private sector panel during the third State Customs Service workshop**. The event was devoted to the topic "Customs Valuation and Audit Procedures." The workshop was organized by the U.S. Department of Commerce Commercial Law Development Program, the U.S. Embassy in Ukraine, the U.S. Department of Homeland Security, U.S. Customs and Border Protection, and the State Customs Service of Ukraine.

On May 16, Mr. Oleksandr Dorokhovsky, First Deputy Head of the State Customs Service, Mr. Stepan Derivolkov, Deputy Head of the State Customs Service, and other representatives of the State Customs Service participated in the Special Chamber Customs Committee Meeting "The New Customs Code of Ukraine: The American Chamber of Commerce in Ukraine's Contribution to Its Development." During the event they expressed confidence that continued joint efforts will ensure the predictability of customs clearance and noted that the Chamber Special Committee Meeting was an important step in the right direction, as it provided an excellent opportunity to discuss critical issues and outline areas of interest for the business community.

On May 30 the Chamber participated in a meeting of the State Customs Service devoted to the conceptual basis for the customs authorities' activities, taking into account the new customs legislation. The meeting also addressed ways to create favorable conditions for foreign economic activities. The Chamber suggested that the State Customs Service and the Chamber should jointly work on:

- monitoring the new Customs Code's implementation,
- organizing relevant information exchange,
- developing proposals for improving the Code based on international best practices.

On June 14 the **Chamber Customs Committee Co-Chair, Mr. Igor Dankov, PwC**, attended a roundtable discussion on "The New Customs Code of Ukraine's Implementation" at the State Customs Service. Participating in the event were **Mr. Igor Kaletnik, Head of the State Customs Service;**



Chamer Customs Committee

and **Mr. Vitaliy Khomutynnik, Head of the Committee on Finance and Banking and Taxation and Customs Policies of the Verkhovna Rada**. Representatives of business associations and of other stakeholders as well as of the State Customs Service also took part.

On June 20 the Chamber participated in a conference call organized by the **State Customs Service**. The event was the first in a series of such conferences to be held each Wednesday by the main Customs Service office in Kyiv. Participants included heads of all the regional customs offices of Ukraine as well as the heads of the public councils under the auspices of the regional customs offices. Many department heads took part from the main State Customs Service office in Kyiv. Representatives of business associations were also on hand.

On July 5 the Chamber took part in a public discussion devoted to the topic **“Budget Revenues and the New Customs Code: Major Risks to Stability.”** The event was held by the NGO League of Financial Development, with support from the USAID Financial Sector Development Project (FIN-REP) and Dzerkalo Tyzhnia Ukraine weekly.

The event was held with the participation of **Mr. Yurii Kolobov, Minister of Finance; representatives of the Committee on Finance, Banking, Tax, and Customs Policy of the Verkhovna Rada; of the State Customs Service; of the State Tax Service; and of business associations.**

The meeting was devoted to the key advantages and disadvantages of the new Customs Code from the perspective

of business and government; to how the customs valuation of imports affects the balance of payments and consumer activity; and to the post-audit of imported goods, and particularly what implications it will have for business.

On July 23 **Mr. Igor Dankov, PwC, Chamber Customs Committee Co-Chair**, took part in a press conference on “The New Customs Code in Action: First Results,” with the participation of **Mr. Serhiy Siomka, Head of the Department of Customs Control and Documentation and Member of the Collegium of the State Customs Service, Mr. Dmytro Polishchuk, Head of the Kyiv Regional Customs Office**, and other stakeholders.

Mr. Igor Dankov highlighted some issues that, despite the ongoing positive changes, remain important for Chamber Member Companies and call for further improvement:



Chamer Customs Committee

- according to the new Customs Code of Ukraine, customs authorities are obliged to demonstrate in written form their reasons for not applying the first method of customs valuation and how relationships have impacted the price. The authorities often do not do that. They can also check the correctness of customs valuation during post-audit inspections,
- in order to substantiate the customs value of goods, the customs authorities often require excessive additional documents or documents that it is impossible to obtain: an export declaration from the country of departure, a calculation of goods value, and so on. It is necessary to split apart the processes of defining customs value and declaring customs value. The first method of customs valuation should be recognized in all those cases in which neither condition for the non-application of this method exists,
- this list of documents for customs valuation confirmation requires further improvement, since it contains documents that are not necessary for customs clearance (e.g., accounting, payment documents, etc.). The Agreement on Implementation of Article VII of the GATT does not focus on such documents, but states that data on additions to price should be made on the basis of objective and quantifiable data,
- there exists an issue with regard to the exchange of information, which is important during consultations about choosing an appropriate method of customs valuation. The issue is that the customs authorities misuse their internal price database, using information from it as a substitute for transaction value (this is against WTO rules). The cus-

toms authorities do not provide detailed information from this database and it is impossible to conclude whether the goods they refer to are similar and identical to the goods being valued. Moreover, the new Customs Code encourages the customs authorities to keep this information confidential; importers thus have no access to it, which makes any consultations with the customs authorities difficult.

Mr. Igor Dankov also noted that with regard to customs valuation, the customs authorities should strictly follow the requirements of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade.

On September 4 the Chamber Customs Committee Leadership met with **Mr. Oleg Sheyko, Deputy Head of the State Service for Regulatory Policy and Entrepreneurship Development**. Outlining possible paths for further cooperation, **Mr. Igor Dankov, PwC, Chamber Customs Committee Co-Chair**, stressed the need to amend as soon as possible the currency control regulations, in order to bring them in compliance with the Customs Code.

The parties agreed to collaborate closely on customs matters. In particular, the Chamber was requested to summarize the problems with the new Customs Code in order to adjust it accordingly.

On September 4 the Chamber took part in the public discussion “The State Budget and the New Customs Code: How to Increase Revenues to the Treasury and Prevent Price Increases for Imported Goods?” The event included **Mr. Oleksiy Lyshenko, Ministry of Finance; Mr. Vitaliy Kho-**



Chamer Customs Committee

mutynnik, Head of the Verkhovna Rada Committee on Finance, Banking, Tax and Customs Policy; and Mr. Serhiy Siomka, Head of the Department of Customs Control and Documentation and Member of the Collegium of the State Customs Service.

The agenda addressed the following issues: the preliminary results of the new Customs Code – whether it will make things easier for exporters and importers; import prices of imported goods, and particularly why when customs fees go down, consumer prices do not necessarily; and whether the the new rules have reduced the flow of contraband.

- **Cooperation with other stakeholders**

The Chamber Customs Committee cooperates closely with the Ministry of Finance:

- On February 24 the Committee held its regular meeting with the participation of representatives from the Ministry of Finance to discuss Chamber involvement in developing and drafting statutory the regulations stipulated by the new Customs Code as well as Chamber proposals for certain instructions the Ministry has developed.

On May 28 the Chamber took part in the first working group meeting on improving customs legislation under the auspices of the Ministry of Finance.

The Chamber Customs Committee provided the Ministry of Finance with a range of proposals to improve customs legislation as well.

The Chamber Customs Committee collaborates effectively with the Parliamentary Committee on Finance, Banking, Tax and Customs Policy. In addition to a wide range of proposals on the new Customs Code, the Chamber Customs Committee

provided proposals regarding the Draft Law #9241-д “On Amendments to the Law of Ukraine ‘On the Customs Tariff of Ukraine’ (On Bringing Import Duty Rates into Conformity with the WTO Criteria)” and Draft Law #10452 “On Amendments to the Tax Code of Ukraine Regarding Harmonization of Some Provisions of Tax and Customs Legislation” to Mr. Vitaliy Khomutynnik, Head of the Verkhovna Rada Committee on Finance, Banking, Tax and Customs Policy.



Chamber Customs Committee Meeting



Chamber Human Resources Committee

Responsible Board Member:

Mr. George Nassar, Procter & Gamble Ukraine LLC

Co-Chairs:

Ms. Alena Kozlova, UkrSibbank, JSC

Ms. Anna Radysh, SC Johnson

Ms. Yuliya Cherkashina, Danevych Law Firm

Mission: Sharing experience, knowledge, and skills with other HR professionals; promoting the professional development of Members through exposure to new knowledge, skills, and information, resulting in the enrichment of the personnel function within each Member's organization.

Current Committee Priorities:

- Improving/amending the national labor legislation.
- Advocating for Chamber proposals to the Draft Labor Code.
- Solving problematic issues in the employment area.
- Advocating for clear and transparent immigration legislation.
- Legislative and regulatory framework development for private employment agencies and third party employments providers .
- Promoting pension reform and developing a three-level pension system.
- Conducting overviews of the Ukrainian labor market and legislative framework.

Successful lobbying campaigns:

- On Friday, March 30 the Cabinet of Ministers of Ukraine published **Resolution #251 "On Approval of the Or-**

der of Processing, Making, and Issuing of Certificates for Permanent Residence and Temporary Residence and of Technical Description of their Letterheads and Amendments to the CMU Regulation #1983 dated December 26, 2002." It was approved at the Cabinet's meeting on March 28.

The Document and its Appendix call for introducing a new Certificate for Permanent Residence and new temporary residence letterheads that have been developed according to the ICAO standards in both the Ukrainian and English languages.

According to the Resolution, the State Migration Service of Ukraine has to ensure the processing and issuing of permanent residence and temporary residence certificates in line with the procedure that the above Resolution approved starting from May 15, 2012.

On March 1 the American Chamber of Commerce in Ukraine (Chamber) addressed Mr. Vitaliy Zakharchenko, Minister of Internal Affairs, with a Position Paper on the need to introduce the use of the English language in provision of resi-



Chamber Human Resources Committee

dence permits. As mentioned earlier, the Chamber received an official response from the State Migration Service on the government's intention to introduce new formats for Certificates for Permanent Residence and Temporary Residence. **The Chamber can proudly state that its position was fully incorporated in the approved Resolution #251.**

- **Law of Ukraine # 5067-VI (Draft Law #10497-1) "On Employment,"** which was signed by the President of Ukraine, provides for the opportunity to create an effective mechanism to promote full, productive, and freely chosen employment in the framework of socio-economic policy implementation. It also provides citizens with constitutional rights and guarantees of the right work, as well as with social protection against unemployment.

Chamber HR Committee experts were actively involved in the elaboration of Draft Law #10497-1, which was posted on the official website of the Ministry of Social Policy for public consideration on April 5. The Committee also provided a wide range of proposals to the Ministry of Social Policy regarding the definition of private employment agencies and of activities based international best practices and on the Private Employment Agencies Convention, 1997 (#181), of the International Labor Organization.

The Chamber stresses that Law #5067-VI "On Employment" fully included the Chamber's recommendations on:

- the legislative definition of a private employment agency – a business entity that provides mediation in employment,
- the legislative definition of services provided by private employment agencies,
- the prohibition against a private employment agency's receiving fees, commissions, or other compensation from

citizens who have been provided with job hunting services and assistance in employment or other related services,

- ensuring citizens' personal data protection during processing of personal data of employees and ensuring respect for citizens' privacy in accordance with the requirements of the current law, and
- guarantees for compliance with the current legislation of Ukraine and with non-discrimination principles.

Stakeholder interaction

- On April 24 the Chamber HR Committee held its regular meeting, organized jointly by the Chamber and the USE-TI Alliance. This time the event was devoted to problems in the legal regulation of employers and in higher education. It was attended by **Dr. Lilia Hrynevych, Advisor to MP Arsenii Yatseniuk, and Dr. Yaroslav Bolyubash, Advisor to the Minister of Education, Science, Youth, and Sports of Ukraine.**



Chamber Human Resources Committee

The meeting analyzed the following Draft Laws “On Higher Education”:

Draft Law #9655 of December 28, 2011 introduced by the Cabinet of Ministers of Ukraine;

Draft Law #9655-1 of December 30, 2011 introduced by People’s Deputies Arsenii Yatseniuk and Lesia Orobets;

A Draft Law that has not yet been registered by Parliament, developed by the Working Group on “Revision of the Draft Law ‘On Higher Education.’”

- On September 20 the Chamber HR Committee held a special meeting with the participation of **Ms. Anna Wicha, President of the Polish Temporary Work Association (Polski Związek Agencji Pracy Tymczasowej), Board Member of Eurociett, and Ms. Maryna Lazebna, Director of the Department of the Labor Market and Employment of the Ministry of Social Policy of Ukraine.** The event was devoted to discussing the innovations stipulated by the newly adopted Law of Ukraine “On Employment” as well as current trends in the development of employment legislation.

During the meeting it was agreed that the Chamber will make proposals about the Law of Ukraine “On Employment” and about the draft bylaws stipulated by its adoption. These proposals will be posted on the website of the Ministry of Social Policy for public consideration. The goal is to ensure clear and transparent employment legislation as well as a better business environment and to increase Ukraine’s competitiveness.



Chamber Tax Committee

Responsible Board Member:

Mr. Floris Schuring, KPMG-Ukraine Ltd.

Co-Chair:

Mr. Slava Vlasov, PwC

Mr. Oleg Chayka, KPMG-Ukraine Ltd.

Secretary:

Mr. Ivan Yurchenko, Vasil Kisil & Partners

Mission: To promote the 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 the general facilitation of business and in the positive development of the Ukrainian economy.

Current Committee Priorities:

- Develop amendments to the Tax Code of Ukraine and to secondary legislation for Tax Code implementation; develop recommendations for successfully introducing them.
- Lobby for timely and efficient VAT reimbursement and for solutions to the royalty issue (including deductibility of royalties) and the issues as pertaining to consulting fees and engineering fees.
- Discontinue inadmissibility of tax losses carry forward in contradiction to the current Tax Code.
- Provide for fair and unbiased consideration and resolution of tax disputes.
- Harmonize Ukrainian tax legislation and practices with those of the EU and OECD.

Stakeholder interaction

- On **February 14** the Chamber Tax Committee held a working meeting with **Mr. Vitaliy Khomutynnik, Head of the Verkhovna Rada Committee on Finance, Banking, Tax, and Customs Policy**. At the meeting, outstanding issues in the taxation sphere and recommendations submitted by relevant Chamber Committees were discussed and areas of further cooperation were identified.
- On **February 15** the Chamber Tax Committee met. The special guest of the meeting was **Ms. Ksenia Liapina, Peoples Deputy of Ukraine**. The parties discussed the amendments to the Tax Code developed by the Verkhovna Rada Committee on Finance, Banking, Tax, and Customs Policy.
- On **March 14** Chamber President **Jorge Zukoski** and Chamber Tax Committee Co-Chairs **Slava Vlasov** of PwC and **Oleg Chayka** of KPMG met with the **Head of the State Tax Service of Ukraine, Oleksandr Klymenko**, to discuss ways of resolving issues that Chamber Member Companies are experiencing as well as to agree on a further plan of cooperation between the Chamber and Tax Authorities. During the meeting it was agreed to establish two joint working groups on tax loss carry forward and transfer



Chamber Tax Committee

pricing. In order to speed up the process for receiving responses from the STSU the parties reached an agreement to redirect letters from Member Companies with a Chamber cover letter, in order to ensure their proper consideration by the tax authorities.

- On **April 2**, the **Chamber Tax Committee Co-Chairs met with representatives of the State Tax Service** as part of the first meeting of the Joint Working Group on Tax Loss Carry Forward. The participants focused primarily on the recent position that the Ukrainian tax authorities have taken. This position tends to deny all pre-2011 tax losses on the part of Ukrainian businesses. They also focused on the prospects for resolving the situation with tax loss carry forward in the nearest future.
- On **April 6** the Chamber Tax Committee Leadership held the first meeting devoted to transfer pricing issues of the Joint Working Group with **representatives of the State Tax Service**. The aim of this meeting was to exchange views on the new transfer pricing rules coming into effect on 1 January 2013 and to agree on methods of cooperation between the Chamber and the STSU on the interpretation and implementation of these rules.
- On **July 5** the Chamber arranged an "In-Focus" Meeting with **Mr. Oleksandr Klymenko, Head of the State Tax Service of Ukraine**, attended by Chamber Member Companies as well as by representatives of the diplomatic community.
- On **July 17**, following the agreements reached during the "In-Focus" Meeting with Mr. Oleksandr Klymenko, Head of the State Tax Service, a joint meeting of the representatives of the Chamber Tax Committee and the State Tax Service took place in order to discuss issues related to factoring operations and securities trading.
- On **August 27** the Chamber Tax Committee Leadership met with **Mr. Andriy Ignatov, Deputy Head of the State Tax Service**, to

discuss the Draft Amendments to the Taxation System of Ukraine that the Service developed.

- On **September 14** the Chamber met with the **representatives of the State Tax Service** in order to discuss problematic issues in the taxation sphere. This time the event was devoted to the following issues:
 - approaches to stopping court cases related to tax loss carry forward against Chamber Members,
 - discussion of the right of taxpayers to generate a full volume of expenditures from carrying out operations with securities according to the requirements of the Tax Code of Ukraine,
 - ensuring return of VAT arrears for Chamber Members operating in the agricultural sector, and
 - improving VAT administration.
- On **October 1** the Chamber took part in a meeting with **Mr. Petro Poroshenko, Minister of Economic Development and Trade**, to discuss the Draft Law "On Amendments to the Tax Code of Ukraine and Other Legislative Acts Regarding Further Improvement of Administration of Taxes and Fees."
- On **October 9** the Chamber took part in the conference "Taxation Reform: the Most Important Tool for Economic Development and Employment Increase," with the participation of **Mr. Sergii Tigipko, Vice Prime Minister, Minister of Social Policy of Ukraine**.

Lobbying activities

Chamber Tax Committee experts were actively involved in developing amendments to the Tax Code of Ukraine regarding tax loss carry forward, in close collaboration with the State Tax Service of Ukraine (STSU) within the framework of the Joint Cham-



Chamber Tax Committee

ber/STSU Working Group on the Tax Loss Carry Forward Issue. They also worked closely with the Committee on Finance, Banking, Tax, and Customs Policy of the Verkhovna Rada.

The Chamber has provided proposals about the Law of Ukraine 4834-VI “On Amending the Tax Code of Ukraine Regarding Improvement of Certain Tax Changes,” which recently passed. The issue regarding tax loss carry forward was not completely resolved, however, despite the solution that was introduced.

To resolve these issues completely and permanently, the Chamber has provided proposals about Draft Law #10224 “On Amending the Tax Code of Ukraine (on the State Tax Service of Ukraine with Regard to Administrative Reform Implementation)” to the Rada’s Committee on Finance, Banking, Tax, and Customs Policy. It has also asked Prime Minister of Ukraine Mr. Mykola Azarov to support this important initiative.

The following Chamber recommendations, based on international best practices, related to the tax loss carry forward issue were incorporated into Law #5083-17 “On Amending the Tax Code of Ukraine (on the State Tax Service of Ukraine with Regard to Administrative Reform Performance)”:

- allow for the inclusion of the outstanding negative value which is not repaid within the respective tax periods during 2012–2015 into an object of taxation, carrying it forward to upcoming tax periods until its complete repayment;
- include the tax loss incurred as of January 1, 2012 into the amounts of tax loss incurred as of January 1, 2011, including amounts of tax losses carry forward from 2010 and previous tax years.

Given the amendments to the Tax Code and the general tax consultations “For Inclusion of Negative Value of a Taxable Item from Income Tax” that the State Tax Service has approved, the

next key step for the Chamber was to stop all court cases related to tax loss carry forward.

The Chamber was actively engaged in the lengthy and complicated process of discontinuing all court cases stemming from the issue of tax loss carry-forward and advised about the need to stop them in the nearest future. As a Member of the Domestic and Foreign Investors Advisory Council, the Chamber appealed to the President of Ukraine with regard to this matter. The Chamber also discussed the need to discontinue all court cases with the Head of the State Tax Service and other stakeholders.

The Chamber started to discuss the need to discontinue all tax loss carry forward court cases with the State Tax Service on March 14 during a meeting with Mr. Oleksandr Klymenko, Head of the Service. It followed up on this issue during a subsequent series of meetings. During an “In-Focus” Meeting on July 5 with Mr. Klymenko he discussed his order to his organization’s Legal Service to develop a tax ruling that will resolve this issue permanently, and promised to stop the court cases in question.



Chamber Tax Committee

On August 8 the Chamber appealed to the State Tax Service again with proposals regarding a mutually acceptable mechanism for discontinuing court cases related to tax loss carry forward. The Service said that it would consider these proposals and thanked the Chamber for helping develop a mechanism for resolving problematic tax loss carry forward issues.

On September 13 a joint meeting of the Chamber representatives and the State Tax Service officials took place at which these issues were discussed. It was decided that the tax authorities will withdraw appeal petitions in cases in which they lost in the first instance courts.

During the meeting Letter of the Supreme Administrative Court #2019/12/13-12 was also discussed. According to it, given that the Tax Code does not limit the formation of expenses for the second quarter of 2011, only those negative amounts are included that arose as a result of the very first quarter of 2011, excluding amounts outstanding cumulative negative previous tax periods. Therefore, the composition of the second calendar quarter of 2011 should include the negative value of a taxation object for the first quarter of 2011, while calculation of the negative value of a taxation object for the first quarter of 2011 shall be effected by taking into account, without any limitations, the negative value amounts that arose as of January 1, 2010, as well as those that arose in 2010 and that had not been paid off by accruing totals during previous reporting periods. Considering the above, inclusion of the mentioned negative value of a taxable item in the expenses of the second quarter of 2011 cannot be a reason for the supervisory authority to determine income tax liabilities for a taxpayer.

At the same time, courts should take into account that starting from July 1, 2012, paragraph 3 subsection 4 of section XX "Transi-

tional Provisions" of the Tax Code exists in a new version, one approved by Law of Ukraine #4834-VI "On Amendments to the Tax Code of Ukraine to Improve Certain Tax Rules," with amendments approved by Law of Ukraine # 5083-VI.

The Chamber believes that this clarification from the Supreme Administrative Court will help to discontinue all court cases pertaining to tax loss carry forward. The Chamber will continue its lobbying activities to make sure that court cases relating to the Chamber Member Companies are stopped, as well as to establish clear and favorable rules for doing business in Ukraine.

- The Chamber submitted to the State Tax Service questions related to 1) **the procedure for taxation of income of a party to a joint activity agreement (JAA) if this party receives income from the activity, and 2) imposing VAT for the services of Ukrainian freight forwarders (VAT payers) for organizing international transportation for Ukrainian customers (VAT payers).**

Since then, the STSU has developed the following decisions and approved them with orders.

1. **On approving the general tax consultation for imposing tax on income received as a result of joint activity on the territory of Ukraine without creating a legal entity (approved by Order #582 dated July 5, 2012), which provides the opportunity to avoid double taxation of income from the joint activity.** This Order states that considering that income received as a result of joint activity is taxed before or during its payment for the parties to the joint activity, the income shall not be taxable for the second time and is not included in the revenue from joint activity.
2. **On the procedure for imposing VAT on freight forwarding activity (approved by Order #610 dated July 6, 2012).** Ac-



Chamber Tax Committee

cording to this document, VAT liability shall arise for the freight forwarder (resident) when the funds are received from an international transportation customer or according to the execution date of the documents confirming that international transportation for the customer has been carried out, whichever occurs first. The value of the provided freight forwarding services (freight forwarder's fee) and the value of the international transportation services shall form the taxable base of the freight forwarder.

The freight forwarder (resident) shall issue two tax invoices for the transportation customer as of the date of emergence of the tax liabilities for international transportation: the first invoice for the value of the freight forwarding services is provided to the customer (received fee) including the basic rate VAT (if the freight forwarding services are provided to a customer who is a non-resident, the freight forwarder does not have VAT items for the freight forwarding services provided). The second invoice is for the value of international transportation services with zero rate VAT.

If the freight forwarder uses carriers or other freight forwarding companies for international cargo transportation, the zero rate stipulated in paragraph "a" of subparagraph 195.1.3 of Clause 195.1 of Article 195 of the Code shall be applied by the same carriers or other freight forwarding companies.

While this is being done, the requirement of Clause 189.4 of Article 189 of the Code shall be taken into account, namely: if the funds are received from the customer or according to the execution date of the documents confirming the fact that international transportation was carried out for the customer, whichever occurs first, a VAT liability shall arise for the freight forwarder (resident) for the transportation amount at the rate of 20% (if the customer of the services is registered on the territory of Ukraine as a busi-

ness entity). If the carrier is not a resident and VAT payer, tax liabilities for the value of the transportation services shall not arise for the freight forwarder.

A carrier who is a resident (VAT payer) shall issue a tax invoice for charging zero rate VAT and shall provide it to the freight forwarder as of the date tax liabilities arise for the international transportation. The freight forwarder shall have the right to include the tax invoice from this carrier in the register of received tax invoices. If the carrier is not a resident and VAT payer, tax liabilities for the value of the transportation services shall not arise for the freight forwarder.

The Chamber Tax Committee has advocated for these positive changes and is pleased that, according to the general tax consultation, no forwarders' services are included in the customs value if they are provided by one resident to another resident.



Chamber Food and Beverage Committee

Responsible Board Member:

Mr. Walter Gordon, Coca-Cola Ukraine Limited

Co-Chairs:

Sergey Movchan, DANONE LLC

Natalya Bondarenko, Carlsberg Ukraine

Secretary:

Lana Sinichkina, Arzinger

Mission: The Food and Beverage Committee has been established to respond to companies' needs in the fast moving consumer goods sector. The Committee deals with food and beverage safety issues that impact people's lives. We have established the Food and Beverage Committee to protect the interests of the business community and motivate the government to elaborate effective laws acceptable for both sides, laws that can contribute to the country's development and recognition at the world level.

State control of foodstuffs is very strict in Ukraine. Committee Members are working on reducing state control and increasing manufacturer and importer responsibility.

The labeling issue is of major importance to the Committee. One of the Committee's principles is to align Ukrainian legislation with European legislation in order to make it more progressive and corresponding to the industry's current needs.

Current Committee Priorities:

- Improvement of the national legislation on food safety by bringing it in line with the EU legislation, including introduction of workable international standards on the terri-

tory of Ukraine and streamlining of inspection procedures by relevant governmental authorities;

- Modernization of existing sanitary regulations for catering facilities and bringing them in line with international best practices;
- Introducing international quality standards and labeling requirements that allow for more efficient export-import operations;
- Increasing lobbying capacity and maintaining dialog with the government of Ukraine regarding its failures to implement the Internal Trade Law;
- Ensuring that declarations made by the governmental officials are consistent with their actions towards the industry;
- Using WTO principles to protect the interests of Ukrainian business and oppose "unfriendly" actions by foreign countries;
- Taking preemptive action by identifying pieces of draft legislation that are potentially threatening or disadvantageous for the industry;



**Food and
Beverage Committee**



Chamber Food and Beverage Committee

- Looking into the issue of obtaining land plots for commercial purposes.

Committee achievements (including Working Groups activities)

1. Working Group on Food Safety

Meeting: September 17

Led by Volodymyr Martynchuk, Director of Department of Food Safety, Lactalis-Ukraine

It was decided to organize a roundtable meeting with the representatives of the State Veterinary and Phytosanitary Service and of the State Customs Service to provide a support plan for Draft Law #10495, and to discuss the export-import operations procedure and its compliance with Law of Ukraine #771/97 "On Safety and Quality of Foodstuffs" until the amendments to the Law take force.

October 1 – an additional request was sent to Committee Members asking them to compile a list of questions regarding export-import operations that they would like to submit to the customs authorities in connection with the Law "On Safety and Quality of Foodstuffs."

The draft letter will then be submitted to Mr. Igor Dankov, Senior Manager PwC, the Co-Chair of the Chamber Customs Committee, for analysis of its legal compliance with the procedures envisaged by the Customs Code.

2. Working Group on Post-Consumer Waste Recycling

Meeting: September 4

Led by Anna Tarantsova, Environmental Manager, Tetra Pak Ukraine

Special guest: Mr. Volodymyr Slabiy, Head of the Ukrainian Packaging and Environmental Coalition, UkrPEK

A document on the main risks that packed goods hold for importers and producers was circulated within the Committee

On October 1 the Chamber co-signed a letter to the Ministry of Economic Development and Trade supporting the Verkhovna Rada's adoption of the Draft Law "On Packaging and Packaging Waste."

The Draft Law supports the creation of a waste management system in Ukraine based on market economy principles.

3. Working Group on Introducing International Quality Standards and Labeling Requirements

Meeting: September 25

Led by Sergey Movchan, Director for Government Relations and Security, Danone LLC, and Julia Melnik, GR Manager, Danone LLC

Activities:



Chamber Food and Beverage Committee

To address the labeling issue that the Law of Ukraine #5029-VI “On Foundations of State Language Policy” has caused, the following took place:

- The official interpretation of the Technical Regulation on Food Products Labeling was received;
- A legal analysis of Article 26 of the Law “On the Foundations of State Language Policy” was sent to the Ministry of Economic Development and Trade of Ukraine (it is awaiting a response);
- A meeting took place with Mr. Ruslan Bortnik, co-author of the Law “On the Foundations of State Language Policy,” to discuss the language in which instructions are to be rendered; an agreement was reached between the Food and Beverage Committee and the Healthcare Committee on possible new amendments that are now being drafted.

It was agreed to draft a position paper on cancelling mandatory GMO labeling and send it to the CMU to support the Draft Law on the GMO issue.

Note: on October 3 the CMU approved the Draft; the letter of support will be sent to the Verkhovna Rada

There will be drafted an update on the responsibility of controlling bodies (the Ministry of Healthcare, the State Inspection on Consumer Rights Protection, the State Veterinary and Phytosanitary Service, the State Sanitary and Epidemiological Service, etc.) within the framework of the labeling that the effective legislation stipulates.

After legal analysis of the responsibilities that that state authorities proposed, further action will be planned accordingly (e.g., which organization should be invited for a Q&A session).

Product labeling, alignment with EU legislation (GMO, glutens, food additives, clarity and transparency in information disclosure).

Attendees agreed to work on harmonizing Ukrainian laws with European legislation. The participants agreed to study the current situation in Ukraine and identify the main risks.

October 2: a meeting took place Mr. Gennadiy Kuznetsov, Head of the Food Processors League and one of the authors of the Draft Law “On Information for Consumers on Foodstuffs.” He is cooperating with the Ministry of Healthcare, and discussed amendments to the Draft Law.

4. Working Group on Streamlining Alcohol Production and Circulation Issues

Meeting: September 13th

Led by Peter Chernyshov, Vice President, Carlsberg Group Eastern Europe

A Chamber Position Paper on exclusion of consignment notes from the list of strictly accountable documents was sent to the Prime Minister on September 27;

Development of a new version of the Draft Law “On Novel Foods” to bring it into compliance with Regulation EC №258/97 was discussed

In progress: the Chamber will invite the author of the Draft Law/representatives of the National Commission on Codex Alimentarius for a meeting

The vinegar issue was discussed (vinegar is made from alcohol leftovers; a product made partly from raw materials of non-agricultural origin should not be labeled as vinegar session).



Chamber Food and Beverage Committee

but as acetic acid; furthermore, the nature of its origin must be specified).

Carlsberg Ukraine and the Chamber intend to invite an official from Georgia to share that country's experience with the successful and competitive reorganization of the Georgian food and beverage industry. The Chamber is waiting for a response to the letter it sent to His Excellency Grigol Katamadze, Ambassador Extraordinary and Plenipotentiary of Georgia in Ukraine.

Inviting a PwC representative from the Moscow office to deliver a lecture to familiarize Chamber Members with the experience of the Customs Union (Belarus, Russia, Kazakhstan), including positive and negative changes for manufacturers and importers of food and alcoholic and non-alcoholic beverages. The Chamber is awaiting information on the cost of the lecture and a possible discount.

Hops issue: decreasing the import tax on hops, reviewing the need for a duty for beer brewers intended to support domestic hops.

5. Working Group on External Trade Issues: the WTO and the Customs Union

A small meeting took place with Ms. Kateryna Kryuchko, Strategy and Marketing Director, Ukrproduct Group Limited. The main problems in the area were discussed. The next meeting will be scheduled in due course.

Main problems identified:

Recently ROSSELKHOZNADZOR (Russian Federal Service for Veterinary and Phytosanitary Surveillance) and ROSPOTREBNADZOR (Russian Federal Service on Customers' Rights Protection and Surveillance of Human Well-

Being) declared the artificial "cheese war," blaming Ukrainian manufacturers for producing low-quality cheeses that do not meet safety requirements. The export of cheese of Ukrainian origin has been put on hold.

These two organizations created obstacles for Ukrainian exporting companies who seek to obtain import licenses. This contradicts WTO regulations.

6. Working Group on Price Controls and Antimonopoly Legislation

On August 23 the Chamber organized a meeting of Chamber Food and Beverage Committee Members with one of the co-authors of the Law, Ruslan Bortnik. To make the Law's provisions on labeling more acceptable to business and to consider the position of the Law's authors, the suggestion was made to separate the provisions regard-



Chamber Food and Beverage Committee

ing the language for labeling commodities and the language to be used in users manuals into two different paragraphs, as follows:

a) Paragraph 3 of Article 26.

“3. Labeling of goods shall be made in the state language. At the discretion of the goods manufacturers, the text in the state language may be accompanied by translations in regional languages or in ethnic minority languages as well in other languages. Labeling of goods for export purposes shall be rendered in any language at the discretion of their manufacturer.”

b) Paragraph 4 has been added to Article 26.

“4. The directions for the use of goods shall be in the state language and in a regional language or an ethnic minority language (at the discretion of the manufacturer). At the discretion of the manufacturer, the text in the state language and in regional or ethnic minority languages may be accompanied by text in other languages. The directions for the use of goods for export purposes shall be in any language.”

The amendments agreed during the meeting with Mr. Bortnik on August 23 have been included into Draft Law #11185 on Amendments to the Legislation of Ukraine (Concerning the Improvement of the Language Policy) of September 6, 2012 initiated by People’s Deputy Vadim Kolesnichenko.

Another Working Group Meeting took place on September 6, led by Oksana Dyagilyeva, METRO Cash & Carry Ukraine Ltd. Two main issues were discussed:

1. Participants agreed to **compile a single list of socially important food products** with strong arguments explaining to the government why certain types of food product have been identified as socially important and included on the list. The Chamber continues to work on this issue.

2. **The need to amend the Law of Ukraine #5029-VI “On the Foundations of State Language Policy”** was agreed by the Committee Members and the Law’s co-author; the suggestions were included in Draft Law #11185 “On Amendments to the Legislation of Ukraine (Concerning the Improvement of the Language Policy)” of September 6, 2012.

The Food and Beverage Committee has protected the business community from the negative impact of Article 26 of Law of Ukraine #5029-VI “On the Foundations of State Language Policy” stipulating that “Labeling of commodities and user manuals is in the state language and regional language, or the language of the minority...”

The negative repercussions of this for the industry include:

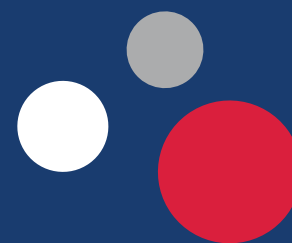
- losses due to the fact that trade turnover/sales will be put on hold given an absence of compliant labeling; write-offs of significant volumes of unused packaging materials and labels; returns and write-offs of already manufactured products that bears non-compliant labeling and is already in warehouses and retail establishments; huge short term costs across many categories of products, including food, costs that customers will ultimately bear;



Chamber Food and Beverage Committee

- the need for products to have different labeling for regions and even sub-regions, cities and towns with different regional languages and the need to produce oversized universal multi-language labels – both of these are expensive propositions, and costs will be passed directly on to consumers, raising prices and stimulating inflation;
- trans-regional shipments of production are impossible without universal labels and given the need to approve many various types of packaging – this causes delays during the introduction of new products to the market and creates significant technical barriers for imported products;
- increased opportunities for corruption and increased pressure on entrepreneurs in the light of labeling violations on the part of domestically produced or imported goods.

This issue needs to be addressed on a permanent basis until it is finally solved to the benefit of the business community. The Chamber has applied for membership in the Working Group to amend the Language Law headed by Vice Prime Minister of Ukraine Raisa Bohatyryova.



Chamber Fuel and Energy Committee

Responsible Board Member:

Jorge Zukoski, American Chamber of Commerce in Ukraine

Co-chairs:

Alfiya Jumayeva, AES Ukraine

Polina Schelkova, Shell

Secretary:

Vitaliy Radchenko, CMS Cameron McKenna LLC

Mission: 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.

Current Committee Priorities:

Upstream sector

- Improvement of PSA-related legislation and ensuring the transparency of tender procedures.
- Work on the subsoil legislation of Ukraine.

Midstream sector

- Work towards liberalizing the gas market and providing equal access to infrastructure.

Downstream sector

- Harmonization of Ukrainian oil product standards with those in the EU and establishing an effective quality control system.

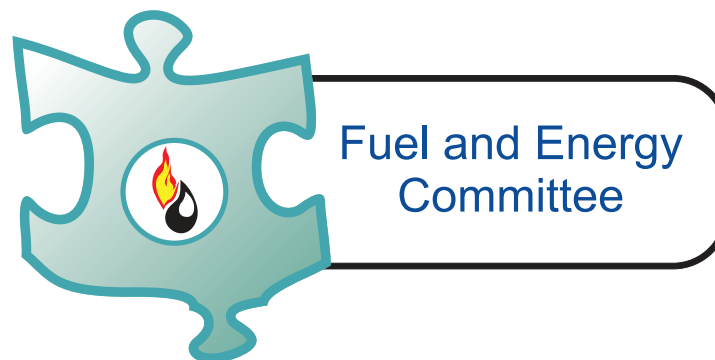
Electricity sector

- Increasing household tariffs to economically justified levels and eliminating all types of cross-subsidies.
- Implementing a new incentive tariff methodology aimed at attracting investment, modernizing assets, and boosting energy efficiency.
- Electricity market restructuring: implementing bilateral agreements and balancing the market.
- Implementing connection rules and a connection fee methodology.

Committee Achievements

- **POLICY WIN: Official Announcements of the Results of Tenders for Concluding Hydrocarbon Sharing Agreements**

An extensive Chamber Fuel and Energy Committee lobbying campaign and a high level policy dialogue with key Ukrainian decision makers has resulted in the announce-



Chamber Fuel and Energy Committee

ment of two tenders to conclude production sharing agreements on shale and natural gas, coalbed methane, crude oil, and condensate on 6,324 square kilometers of Oleska field and 7,886 square kilometers of Yuzivska field.

- **POLICY WIN: Government Publishes Official Results of Two PSA Tenders**

On May 16, 2012 the official results of the tenders for concluding hydrocarbon sharing agreements for the Oleska and Yuzivska fields were announced by Mr. Eduard Stavytsky, Minister of Ecology and Natural Resources, at an official press conference. He stated that Shell had won the PSA tender for the Yuzivska field and Chevron had won for the Oleska field.

The tenders took place in the wake of Cabinet of Ministers Resolutions #1297 “On Holding a Tender for Sharing Hydrocarbons to be Produced at Oleska Field” dated November 30, 2011 and #1298 “On Holding a Tender for Sharing Hydrocarbons to be Produced at Yuzivska Field” dated November 30, 2011.

The Chamber has been continuously engaged in ensuring that the current PSA tenders were announced by the country’s leadership and implemented successfully.

- **POLICY WIN: Chamber Lobbying Campaign Results in Adoption of Draft Law #10338 “On Amendments to the Law of Ukraine on Natural Monopolies Regarding Incentive Regulation”**

On June 21 the Verkhovna Rada adopted **Draft Law #10338 “On Amendments to the Law of Ukraine on Natural Monopolies Regarding Incentive Regulation.”**

The American Chamber of Commerce in Ukraine (Chamber) supports this progressive piece of legislation and considers it an important step towards the transition to an incentive tariff methodology that will foster stable investment in the electricity sector of Ukraine, provide the security of networks and electricity supplies, and ensure the proper functioning of the domestic electricity market.

- **POLICY PROGRESS: Verkhovna Rada Significantly Improves Taxation of Subsoil Use Payments**

On July 5 the Verkhovna Rada adopted **Draft Law #10224 “On Amending the Tax Code of Ukraine (on the**



Chamber Fuel and Energy Committee

State Tax Service of Ukraine with Regard to Administrative Reform Performing). The Chamber Fuel and Energy Committee actively participated in developing the amendments and provided recommendations on how to improve the provisions related to the oil and gas sector, in particular with respect to taxation of subsoil use payments. As a result of the Chamber's active dialog with policy makers, the Rada adopted the Draft Law, taking into account certain Chamber recommendations.

- **POLICY PROGRESS: Verkhovna Rada Passes Two Progressive Draft Laws on Improving PSA-Related legislation**

On September 18 the Verkhovna Rada adopted Draft Laws of Ukraine #11120 "On Amendments to the Tax Code of Ukraine Regarding Product Sharing Agreements' Conclusion and Execution" and #11213 "On Amendments to Certain Legislative Acts of Ukraine Regarding Product Sharing Agreements' Execution" in the first reading. The American Chamber of Commerce in Ukraine (Chamber) strongly supports these pieces of legislation.



Chamber Hospitality and Tourism Committee

Responsible Board Member:

Steven Fisher, Citibank

Co-Chair:

Valeria Luyk, Sky Travel HRG Ukraine

Secretary:

Oleksiy Evchenko, ArtBuild Hotel Group

Mission: The Chamber Hospitality and Tourism Committee was created to encourage the participation of Chamber Members in an organized policy initiative to promote hospitality and tourism in Ukraine. The Hospitality and Tourism Committee's goals and objectives include increasing Ukraine's participation in international hospitality and tourism organizations and forums; promoting the development of the Ukrainian business and leisure hospitality infrastructure; simplifying the bureaucratic requirements that foreigners who want to travel in Ukraine most fulfill; increasing the ready availability of international standard business facilities; promoting Ukraine as a desirable destination for international holiday travelers; and sharing knowledge and experience among Chamber Members involved in the travel and hospitality arenas.

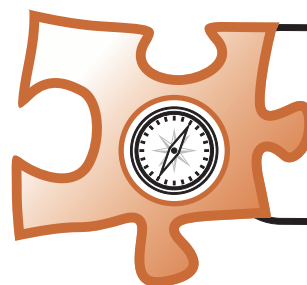
Current Committee Priorities:

- Addressing VAT taxation of travel agencies and operators.
- Developing a Committee position on the hotel classification system.
- Preparing a position on income tax holidays for hotels.

- Identifying and discussing the problem of liability insurance for travel agencies and operators.
- Identifying and discussing the problem of tourist insurance.
- The National Tourism Development Program.
- Drafting a Committee position on the new Law "On Tourism."
- Commenting on the Draft Law "On Tourism Resources."

Lobbying Engagements:

- On September 26 the Kyiv City State Administration held a roundtable on the topic "**Kyiv: The Tourism Future.**" The American Chamber of Commerce in Ukraine joined with representatives from the city administration, the State Agency on Tourism and Resorts, the German Development Agency (GIZ), the Embassy of Sweden in Ukraine, and travel companies recent discuss issues pertaining to tourism infrastructure of Ukraine in general and in Kyiv specifically.



Hospitality and
Tourism Committee



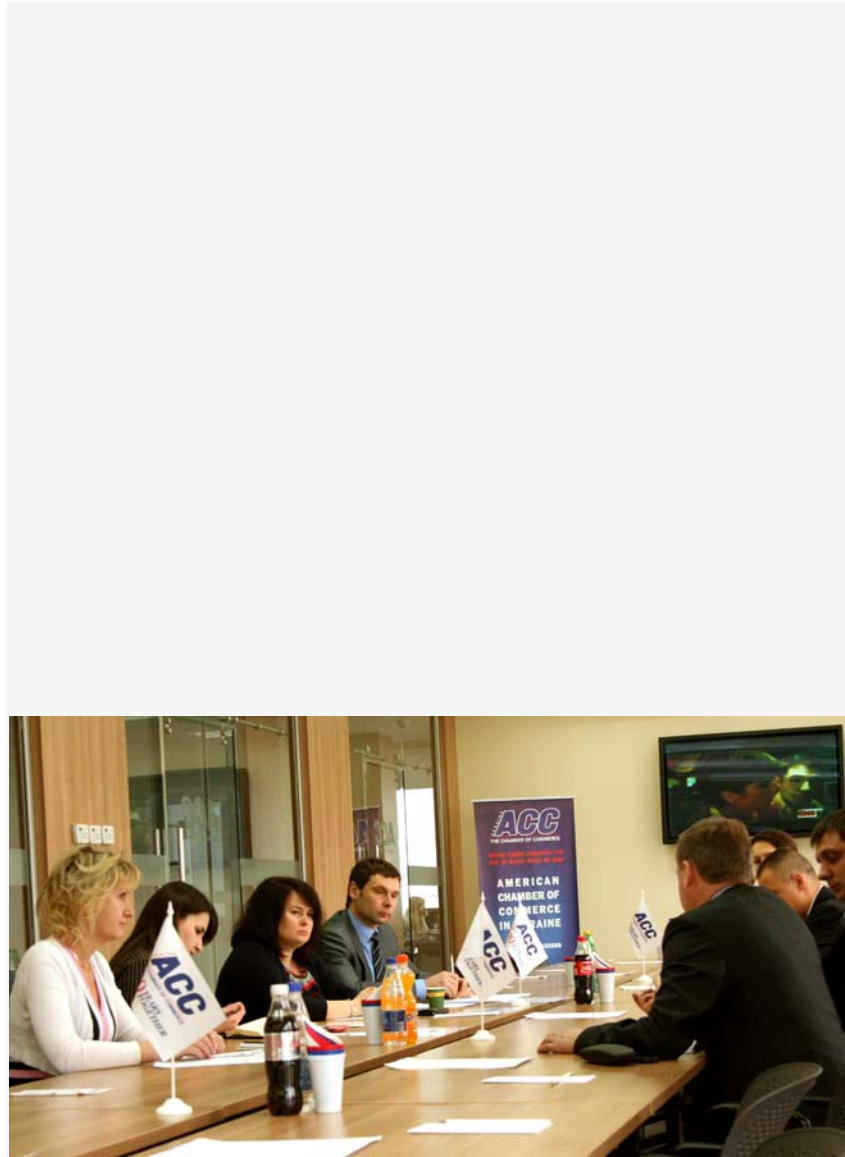
Chamber Hospitality and Tourism Committee

- On March 1, 2012 the Chamber Hospitality and Tourism Committee appealed to **Mr. Borys Kolesnikov, Vice Prime Minister and Minister of Infrastructure**, as well as to representatives of other relevant government institutions, regarding the hotel classification system and the procedure for defining hotel categories.

Throughout the year **the** Chamber Hospitality and Tourism Committee Members monitored the legislative base in the hospitality and tourism industry. They also engaged in dialogue with legal experts and state authorities with the aim of improving the acting legislation and developing new regulations.

Committee Meetings

- On May 30 the regular meeting of the Chamber Hospitality and Tourism Committee took place.
- On March 21 the Committee meeting was devoted to the issue of categorization of hotels, to the recent changes to the Law of Ukraine “On Tourism,” and to the hospitality market in Ukraine as it currently stands.
- On February 21 the Committee meeting addressed the categorization of hotels, overviewed the hospitality market, and provided an update on legislative developments in light of Article 207 of the Tax Code.



Chamber Information and Communication Technologies Committee

Responsible Board Member:

Dmitry Shymkiv, Microsoft Ukraine, LLC

Co-Chairs:

Sergey Gavrish, Alcatel-Lucent Ukraine

Dmitry Popinako, Innoware

Secretary:

Vadym Shestakov, Danevych Law Firm

Mission: To improve the environment for the further development of a sustainable and well-regulated information technologies and telecom sector in Ukraine. The ICT Committee sees its mission to be lobbying the interests of Chamber Member companies operating in the Ukrainian ICT industry and providing the most efficient solutions to various problems that its Members face.

Current Committee Priorities:

Legal and tax issues

- Develop amendments to the Tax Code; foster local accounting standards in order to clarify the treatment of various types of transactions with software licenses;
- Improve and develop e-commerce legislation (e-payments);
- Develop and lobby for necessary amendments to the current Law of Ukraine “On Personal Data Protection” to bring it in line with best EU practices and ensure a smooth and balanced process for the practical implementation of personal data protection regulations in Ukraine;
- Help improve new tax legislation for the IT sector.

Telecom sector

- Rules and technical requirements for IMS architecture;

- Mobile number portability and use of personal numbers;
- International roaming regulation attempts – clarify the operators’ position;
- Customer black lists – inter-operators’ database: feasibility and implementation;
- Clearance of and tender for 3G frequencies, implementation of nationwide roaming.

E-Government expertise

- Establishing cooperation with the governmental authorities regulating the ICT sector;
- Promoting e-government initiatives between various Ukrainian authorities; sharing with them cases that embody the successful implementation of e-government projects in other countries;
- Lobbying for unification of e-signature standards (aligned with international ones) to enable practical e-signature use with all Ukrainian institutions, authorities, banks, courts, etc.



Chamber Information and Communication Technologies Committee

Start-up platform creation

- Establish a platform for a dialog among government, investors, and technological entrepreneurs.

Market research

- Chamber Information and Communication Technologies Industry Report

The Working Group on Personal Data Protection is actively working within the ICT Committee. The Working Group's activities aim at improving legislative norms and operational conditions related to personal data protection by applying international best practices, including development of industry codes of conduct.

The Chamber Working Group on Personal Data Protection took active part in the adoption of the Law "On Personal Data Protection," which incorporates European norms. Jointly with the State Service on Personal Data Protection, Members of the Working Group elaborated the Corporate Code of Conduct on Cross-Border Transfer of Personal Data. The Code includes an agreement on personal data transfer to countries that have not acceded to the Convention for the Protection of Individuals with Regard to Automatic Processing of Personal Data (ETS #108) or to the additional Protocol to the Convention for protecting individuals with regard to automatic processing of personal data regarding supervisory authorities and transborder data flows between controller and controller/controller and processor.

The Telecommunications Working Group was also tasked at the beginning of the business year to cover the telecom sector's priorities in the context of the ICT Committee priorities.

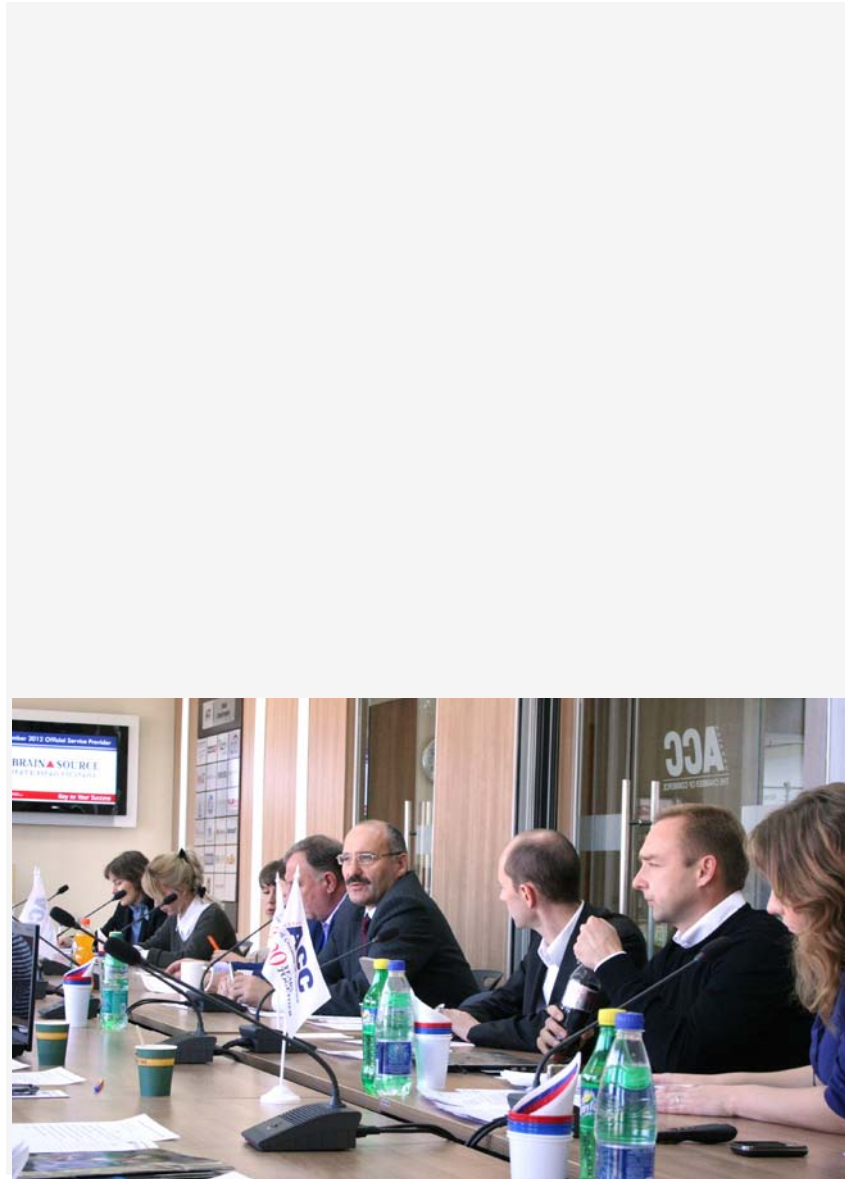
POLICY WIN: President Signs Law Providing for Postponement of Responsibility for Violating Personal Data Protection Legislation. The American Chamber of Commerce in Ukraine is proud to report that **Law #4343-VI "On Amendments to the Final Provisions of the Law of Ukraine 'On Amending Certain Legislative Acts of Ukraine Regarding Enhancement of Responsibility for Violation of Legislation on Personal Data Protection' to Postpone Its Entry into Force"** passed the final stage of consideration and was signed by the President of Ukraine. The Chamber considers this to be a positive move, one that provides business with additional opportunities to switch to the new personal data protection regulation rules. The Law postpones entry into force of the said legislation by six months, moving it from January 1, 2012 to July 1, 2012.



Chamber Information and Communication Technologies Committee

The Chamber Working Group on Personal Data Protection was active in advocating for the adoption of this important piece of legislation. Once the Draft Law was registered the Working Group responded immediately, addressing Mr. Volodymyr Lytvyn, Speaker of the Verkhovna Rada, and the heads of all the Rada's party factions, in support of the Draft.

POLICY ENGAGEMENT: Personal Data Protection. On June 27 the Chamber expressed its support for Draft Law #10472 "On Amendments to Certain Legislative Acts of Ukraine Regarding Personal Data Protection" to **Mr. Maxym Lutskyi, Head of the Parliamentary Committee on Science and Education.**



Chamber Intellectual Property Rights Committee

Responsible Board Member

Mr. Dmitry Shymkiv, Microsoft Ukraine

Co-Chairs

Mr. Michael Doubinsky, Doubinsky & Osharova,

Mr. Taras Kyslyy, Egorov Puginsky Afanasiev & Partners

Secretary:

Mr. Yuri Omelchenko, Microsoft Ukraine, LLC

Mission: To advocate on behalf of Chamber Members for the proper protection of intellectual property rights in Ukraine. The Committee's main goal is to improve the legislative and regulatory system with regard to IPR, so as to increase economic competitiveness and create incentives for innovations.

Current Committee Priorities:

- Build strong relations with the key policy makers on IPR issues;
- Develop proper IPR-related tax and accounting procedures;
- Solve IPR-related issues in customs policy as regards some specific chemistry-based economic sectors (herbicides and pharmaceuticals producers);
- Promote adoption of Draft Law #6523 "On Amendments to Certain Legislative Acts Regarding the Regulation of Issues of Copyright and Related Rights" with amendments suggested by Chamber Members.

The IPR Committee took part in several events that covered the sector. It contributed to the discussion "Current State of Litigation Relating to IPR Protection of Pharmaceutical Companies'

Disputes: Problems and Prospects" as well as to the discussion of the **Draft Law "On Franchising," in conjunction with the Federation for Franchising Development, Hospitality, and Infrastructure.**

The Chamber lobbied for Chamber Member interests regarding Draft Law #10047 **on criminal responsibility for IPR violations and received feedback from government authorities** that Chamber proposals will be considered when a decision is made regarding the Draft Law.

POLICY ENGAGEMENT: Criminal Responsibility for IPR Violations

On July 11 a Chamber Letter was sent to **Mr. Viktor Shvets, Head of the Committee on Legislative Support of Law Enforcement of the Verkhovna Rada**, regarding Draft Law #10047 "On Amendments to Certain Legislative Acts of Ukraine Regarding Humanization of Criminal Responsibility in the Field of Intellectual Property" with a request to withdraw this legislation.



Chamber Logistics and Transportation Committee

Responsible Board Member

Jacquot Boelen, METRO Cash & Carry Ukraine

Co-Chairs:

Vladyslav Karpets, Coca-Cola Beverages Ukraine Limited

Michal Janikowski, METRO Cash & Carry Ukraine

Secretary:

Oleg Kalenskyy, UVK

Mission: To create a communication platform for experience exchange between logistics companies, express delivery carriers, FMCG companies, and retail chains; to discuss logistics issues and solutions to them in order to develop absolutely transparent and beneficial rules of the game for participants in economic activity and the state in general.

Current Committee Priorities:

- Development of the logistics infrastructure in Ukraine (including roads, hubs, railway, seaports, container shipping facilities, etc.).
- Expansion of the efficient consumer response (ECR) movement in Ukraine by improving data exchange, category management, and supply chain management.
- Development of solid transportation companies on the local market (both forwarders and haulers, including special transport).
- Implementation of new standards for national cold chain logistics in Ukraine.
- Improvement of fiscal management in transportation.

The Logistics and Transportation Committee promotes optimization in supply chains with the help of electronic data interchange (EDI) technologies and the expansion of efficient consumer response (ECR), a movement that provides new principles for collaborative management along the supply chain, promotes the removal of unnecessary costs, and presents a new level of response to consumer demand.

Lobbying Engagements:

- On August 22 the Chamber participated in a meeting of the **Working Group on Drafting Amendments to the Law on Automobile Transport under the auspices of the Ministry of Infrastructure. Mr. Dmytro Petukhov**, Director of the Department of Automobile Transport of the Ministry of Infrastructure, chaired the meeting. The Working Group includes representatives of different government bodies, business associations, organizations, and science institutions. It focuses on certain issues connected with internal and international transportation of passengers and freight, technical regulation, insurance, compensation, licensing of



Logistics and
Transportation
Committee



Chamber Logistics and Transportation Committee

and rules for freight transportation, relationships between carriers and state authorities, etc.

Committee Meetings:

- On June 20 the **Joint Meeting of the Chamber Logistics and Transportation and Agricultural Committees** was devoted to the issues of freight transportation by rail and recent reform of the railway system. **Mr. Oleksandr Kondrat, Deputy Director of the Department of Economics and Finance, Ministry of Infrastructure**, participated.
- On March 29 the **Chamber Logistics and Transportation Committee meeting** was devoted to the discussion of 2012 Committee priorities and Committee activities that would lead to the improvement of transportation market and attract more investments in Ukraine.
- On February 1 the **Chamber Logistics and Transportation Committee Meeting** was devoted to discussion of the current situation pertaining to seaport regulation after Draft Law #0881 "On Seaports" was rejected on January 16, 2012 and new Draft Law #9712 "On Seaports" was submitted to the Verkhovna Rada by the Cabinet of Ministers. Participants also discussed **the proposals to the Draft Law "On Container Shipping" that the Ministry of Infrastructure developed.**

The Chamber Working Group on Seaport Development was established in May 2011 under the leadership of Ms. Viktoriia Papenkova, former Secretary of the Logistics and Transportation Committee. It has been actively advocating for a special legislative basis for the direct regulation of seaport activities. On May 17 the President of Ukraine signed the relevant Law.

Lobbying Engagements

- On August 16 the Chamber participated in an extended meeting of the **Working Group on Organizational and Technical Preparation for the Introduction of Transparent Mechanisms for Private Investors Operating Port Facilities.** It was co-chaired by **Mr. Dmytro Demydovych**, Deputy Minister of Infrastructure, and **Mr. Volodymyr Sevriukov**, Director of the Department of State Policy on Sea and River Transport of the Ministry of Infrastructure. The meeting was devoted to investment opportunities at seaports (objects for concessions), as presented by the top management teams of all of Ukraine's commercial seaports.
- On August 9 the Chamber addressed **Mr. Volodymyr Lytvyn**, Chairman of the Verkhovna Rada, **Mr. Borys Kolesnikov**, Vice Prime Minister and Minister of Infrastructure, and **Mr. Mykhailo Myronenko**, Head of the Parliamentary Committee on Transport and Communications, with a Position Paper on Draft Law #10655 "**On Amendments to the Law of Ukraine 'On Seaports of Ukraine' Regarding Guarantee of the Constitutional Rights of Citizens of Ukraine with Respect to their Labor Rights and Property Rights.**" The Position Paper states that, if adopted as proposed, the bill could disrupt the reform that the Law on Seaports launched, and could significantly impede the activities of private enterprises operating within or around ports.
- On April 12th the Chamber addressed its opinion on **Draft Law #9712 "On Seaports"** to **Mr. Volodymyr Lytvyn**, Chairman of the Verkhovna Rada; **Mr. Borys Kolesnikov**, Minister of Infrastructure; and **Mr. Mykhailo Myronenko**, Head of the Parliamentary Committee on Transport and



Chamber Logistics and Transportation Committee

Communications. The Chamber appealed for the Rada to adopt the legislative act and introduce long awaited port reform to Ukraine.

Working Group Meetings:

- On June 26 the **Chamber Working Group on Seaport Development meeting** was devoted to further actions the Group would take in regards to Law #4709-VI "On Seaports of Ukraine." The meeting also discussed the recent appeal by People's Deputies of Ukraine to the Constitutional Court regarding the nonconformity of this Law with the Constitution of Ukraine and with newly submitted Draft Law #10655 "On Amendments to the Law of Ukraine 'On Seaports of Ukraine' Regarding Guarantee of the Constitutional Rights of Citizens of Ukraine with Respect to their Labor Rights and Property Rights."
- On April 4 the **Chamber Working Group on Seaport Development's meeting** was devoted to the development of the Chamber Position regarding Draft Law #9712 "On Seaports," which aims to launch seaport infrastructure reform Ukraine.
- On March 6 the **Chamber Working Group on Seaport Development meeting** was devoted to the development of the Chamber Position regarding Draft Law #9712 "On Seaports." The key principles in the Chamber Position were inclusion of private marine terminals in seaport infrastructure; the creation and subsequent use of hydraulic structures both in seaport waters and beyond, built at the expense of private investors before the Law comes into effect; the involvement of private port operators in port development; the creation and subsequent use of artificially created land plots within

seaport areas; private marine terminal security; and internal management of handling goods.

- On February 23 the **Chamber Working Group on Seaport Development meeting** was devoted to development of the Chamber Position regarding Draft Law #9712 "On Seaports," which the Verkhovna Rada passed in its first reading on February 21. The key principles in the Chamber Position were investor property rights; the seaport council; artificially created land; seaport practice; security service provision at seaports; and inclusion of private marine terminals in the seaport infrastructure.

The Working Group will continue to work to improve the legislative framework and the regulatory acts related to seaport infrastructure development. It will also continue to improve regulation of container shipping, to foster introduction of concessionary tenders, to promote interaction between railway and seaports, etc.



Chamber Real Estate Committee

Responsible Board Member

Ian Borden, McDonald's Ukraine

Co-Chairs

Andriy Lukianenko, McDonald's Ukraine

Timur Bondaryev, Arzinger

Secretary

Adrian Opais, PwC

Mission: The Chamber Real Estate Committee sees its goals as follows: to share information and experience between Chamber Members involved in the real estate sphere; to cooperate with legislative and executive bodies in order to make the necessary changes to Ukrainian legislation, which will promote real estate development in the country; to reduce the bureaucratic obstacles involved in real estate transactions; to foster transparency in real estate transactions; to facilitate foreign investment in Ukrainian real estate development projects; and to foster the availability of long term financing for real estate projects.

Current Committee Priorities:

- Providing comments on the Draft Law "On the Land Market," emphasizing the following issues:
 - Allowing foreign companies to buy non-agricultural land for commercial purposes;
 - Providing the possibility of transfer lease rights to state/municipal land;
 - Developing clear and transparent land auction procedures.

- Fostering consistent application of land plot categorization, emphasizing that there is no need to change the purpose of land use within one category;
- Enhancing existing land legislation to stimulate renewables development;
- Improving the legislation on land lease regulation to make the land lease renewal process more transparent; and
- Improving the legislation aimed at simplifying procedures in the construction sector.

Committee Achievements:

- **POLICY PROGRESS:** On October 2 the Draft Law #11128 "On Amendments to the Land Code of Ukraine Regarding Acquisition of Land Ownership Rights," which amends Article 82 of the Land Code of Ukraine by removing excessive obstacles preventing legal entities with foreign capital from owning non-agricultural land was passed in the first reading by the Verkhovna Rada. The Chamber has been actively advocating for a free and effectively func-



Chamber Real Estate Committee

tioning land market and strongly supports the adoption of the Draft Law, as it will lead to an increase of investment flow and boost transparency in non-farmland relations in Ukraine.

- **POLICY WIN:** On August 15 Law #5077-VI “**On Amendments to the Land Code (On Holding Land Auctions),**” including Chamber-proposed amendments, was signed by the President of Ukraine.
- **POLICY PROGRESS:** On July 5 the Verkhovna Rada passed in the second reading Draft Law #10231-3 “**On Amendments to the Land Code (On Holding Land Auctions).**” It establishes a legislative mechanism for selling and purchasing land plots by holding tenders with the purpose of forming a complete regulatory framework for carrying out land auctions in Ukraine.
- **POLICY PROGRESS:** On March 13th the Verkhovna Rada adopted in the first reading Draft Law #9693 “**On Amendments to the Law of Ukraine ‘On the List of Permission Documents in the Sphere of Economic Activity’ Regarding the List of Documents.**” It stipulates a reduction of the list of permits for the leasing or sale of land plots in state and municipal ownership. The Chamber Real Estate Committee considers this Draft Law to be an important step towards accomplishing a Committee priorities: ensuring the transferability of land lease rights to state/municipal lands.

Lobbying Engagements:

- **POLICY ENGAGEMENT:** On July 13th the Chamber addressed a Letter to the President of Ukraine supporting the Draft Law “On Amendments to the Land Code (On Holding Land Auctions).” The Chamber made clear that it considers the Draft Law an essential step towards creating favorable conditions for land market development in Ukraine and for a standing legislative mechanism for holding land auctions.
- **STAKEHOLDER INTERACTION:** On June 7 **Mr. Ian Borden, Chairman of the Chamber Board of Directors, Co-Chair of the DFIAC Infrastructure Development Working Group, McDonald’s Ukraine**, stated the importance of land market improvement while participating in the second Plenary Session of the Domestic and Foreign Investors Advisory Council chaired by the President of Ukraine.
 - **STAKEHOLDER INTERACTION:** On May 22 the Chamber Real Estate Committee advocated for the introduction of amendments to the Land Code of Ukraine during personal meetings with **Mr. Serhiy Tymchenko, Head of State Agency of Land Resources of Ukraine**. The Committee raised the importance of giving Ukrainian companies with 100% foreign investment the right to own non-agricultural land in Ukraine.
 - **STAKEHOLDER INTERACTION:** On April 26 the Chamber Real Estate Committee held a meeting devoted to an overview of recent changes in land legislation, in particu-



Chamber Real Estate Committee

lar the Draft Laws “On Land Market” and “On Amendments to the Land Code (On Holding Auctions).” Participating was **Ms. Tetyana Symchyshyna**, Head of the Department for Legal Support of the Land Market and Assessment of Land, **State Agency of Land Resources of Ukraine**.

- **POLICY ENGAGEMENT:** On April 10 the Chamber addressed **Mr. Grygoriy Kaletnik**, Head of the Parliamentary Committee on Agricultural Policy and Land Relations of Ukraine, with a Position Paper on Draft Law #10231 “**On Amendments to the Land Code of Ukraine Regarding the Procedure for Conducting Land Auctions.**”

- **POLICY ENGAGEMENT:** On March 23 the Chamber addressed **Mr. Oleksandr Popov, Head of the Kyiv City State Administration**, with proposals on developing cooperation between the Chamber and Kyiv Administration aimed at ensuring clear and transparent procedures for land auctions held in the city.

- **STAKEHOLDER INTERACTION:** On February 24 a meeting devoted to considering the Business Centers Classification took place. Attention went to developing an **Updated Office Buildings Classification** adapted to the current office market conditions that are commonly accepted and used by key market players.



Chamber Working Groups

Legal-Related Working Groups

Responsible Board Member - Mr. Serhiy Chorny, Baker & McKenzie CIS

The Chamber Legal-Related Working Groups originated in the Chamber Legal Committee, which was created as a forum for professional exchange among attorneys from law firms and local companies. The Working Groups include a broad range of legal professionals working in the country.

Anti-Corruption Working Group



Head of the Working Group - Yaroslav Petrov, Asters

Working Group Mission:

To provide a general overview of the situation pertaining to corruption in Ukraine; to provide specific legislation aimed at counteracting corruption; to identify potential lobbying activities in this regard.

Activities in 2012:

Over 2012 six Working Group meetings took place. Meetings participants heard a review of **recent legislative developments in the corruption-fighting sphere, listened to different presentations, and discussed a number of current issues in this sphere.**

The Anti-Corruption Working Group addressed the Parliamentary Committee on Organized Crime Control and Fighting Corruption, the Ministry of Justice, and the National Security and Defense Council in May with a letter raising a number of issues that the Anti-Corruption Working Group had defined. It received replies from these state authorities in June.

Antimonopoly Working Group



Head of the Working Group - Eduard Tregubov, Salkom Law Firm

Working Group Mission:

The Working Group concentrates on reforming the legislation pertaining to economic competition protection and maintains close contacts with the government. Among other things, the Working Group contributes to greater awareness of the activities of the Antimonopoly Committee of Ukraine and its priorities. It will remain engaged in fostering an effective dialogue between the authorities and the business community.

Working Group on Bar Legislation



Head of the Working Group - Olexander Martinenko, CMS Cameron McKenna LLC

Working Group Mission:

The Working Group concentrates on bar legislation in Ukraine (including issues pertaining to the definition of the bar and of barristers, to the legal status of the bar and barristers, to the scope of barristers' authority, to the official registration procedure for barrister activities, etc.). It elaborates proposals and amendments relevant to the legislative and regulatory framework in this sphere.

Chamber Working Group on Internal Trade

Chamber Working Group on Internal Trade as created with the goal to encourage the participation of the Chamber Members in an organized policy initiative to improve legal framework for functioning of internal trade in Ukraine by working on the improvement of the Draft Law "On Internal Trade" or its withdrawal from the Parliament of Ukraine.





CHAMBER KNOWLEDGE SEMINARS AND TRAINING PROGRAMS



Chamber Knowledge Seminars and Training Programs

Chamber Knowledge Seminars focus on specific areas of business, mainly those that pertain to the Chamber Policy Priorities for 2012. These events serve as another innovative tool that provides Members with a unique opportunity to obtain direct access to cutting-edge technologies and hear from true leaders in a number of industry sectors.

Along with the other benefits of being a Chamber Member, companies and organizations can gain from co-organizing Chamber Knowledge Seminars. This allows them to share their experience, present best practices and new approaches in the market, discuss new ideas, share know-how, and so on.

Many important issues and areas undergo discussion during the events, helping Members' employees to continue to professionally develop, grow, and compete.

Chamber Knowledge Seminars take place in two Chamber facilities: the Chamber Conference Facility and the Chamber Reception Hall. Each can accommodate approximately 80 persons.

Chamber Knowledge Seminars represent another tool that helps employees of Chamber Member Companies to develop a goal-attainment mindset, remove counterproductive barriers to success, and understand how small changes can make big differences.

The Chamber Knowledge Seminars held in 2012 included the following:

- **"PPP-Projects: Legal Status Quo for 2012"**

This seminar lent an expert view of PPP projects in Ukraine, particularly of the legal framework and procedures. The speaker highlighted recent changes in the private partner selection procedure and discussed PPP efficiency analysis and the PPP risks identification procedure. Participants learned about housing and communal infrastructure and the repair of water supply facilities.

- **"Tax Evasion - In Light of Court Practice"**

This seminar concentrated on tax evasion, neglect of official duty, forgery in office, and the misappropriation of property through abuse of office. It covered such issues as tax crimes, null agreements, and fake transactions.

*Chamber Training Program
"Effective Leadership"*



Chamber Knowledge Seminars and Training Programs

- **“Current Issues in the Taxation of Representative Offices of Non-Resident Companies”**

This seminar focused on the tax issues that representative offices (permanent and non-profit) often face in their work. It covered foundation and tax registration and taxation of operations for transfer of assets arising during liquidation. Participants also learned more about the peculiarities of the income tax, VAT, and the personal income tax.

- **Best Corporate Practices in Compliance with FCPA, the UK Bribery Act, and Ukrainian Anticorruption Legislation”**

This seminar shed light on best practices in the context of FCPA, the UK Bribery Act, and Ukrainian anticorruption legislation that major companies operating in Ukraine and overseas have developed. It gave an overview of recent anti-corruption legislation in Ukraine.

- **Features of Communication Strategies of Large Companies at the National and Regional Levels**

This seminar addressed the main features of the communications strategies of big business and discussed myths about big business PR implementation strategies. Common problems with the implementation of PR strategies at large companies were discussed and recommendations for PR work at the regional level were provided.

The Chamber Training Program, a great educational tool, was successfully maintained by the Chamber and Chamber Members DOOR and CBSD in 2012. The events fo-

cus on various aspects of personal growth and on the development of personal soft skills. The Chamber Training Program is a “Members only” benefit provided to develop and improve knowledge skills that help in accomplishing bigger, long-terms goals. The topics of these programs are based on the results of the Chamber Members’ Survey.

The following Chamber Training Programs took place in 2012:

“Effectiveness Beyond Time”

The Chamber, in conjunction with its Member DOOR, hosted this Chamber Training Program. The program was designed for young executives, managers, and employees who want to produce better results in less time and are determined to execute their duties effectively while leaving some time for themselves.

The training program covered several major topics:

- Our way of perceiving time;
- Reasons why we constantly find ourselves lacking time;
- Tools to enhance time management and self-organization;

The participants learned about various concepts of time perception and their impact, reconsidered their time-management methods, found the quickest ways to determine aspects that can be done better and more effectively, and were taught how to increase their activities efficiency.

“Art of Networking”

This seminar, which took place in March, gave participants an excellent opportunity to learn how to successfully network and build business connections. Professional



Chamber Knowledge Seminars and Training Programs

DOOR Ukraine trainers worked towards the following training objectives:

- How to structure business networking knowledge, skills, and experience.
- How to develop a behavior strategy at business events in order to achieve better results.
- How to introduce yourself, your company, and your company's services; how to do "small talk."
- How to build a "road map" to get from networking to long term business relationship.

The topic was a great success. The Chamber and DOOR Ukraine organized another "Art of Networking" training seminar in September.

"Communication Skills"

The course goal was to implement company goals to develop employee skills in interactions with their colleagues, supervisors, and subordinates. Participants learned communications skills via role playing, work in groups, and presentations. They acquired the theoretical information necessary to improve their communications skills and were able to self-assess their skills and have their colleagues assess them.

The course was given by Chamber Member CBSD and lasted two days.





CHAMBER BUSINESS NETWORKING AND SOCIAL ACTIVITIES



Chamber Business Networking and Social Activities

The American Chamber of Commerce in Ukraine would like to thank all its Sponsors and Partners for their valuable contributions to and support of our events in 2012:

3M Ukraine, AES Ukraine, Alcatel-Lucent Ukraine, Amarcord-Lakomka, American Medical Centers, Arizona BBQ, Arlekin, Arthur Murray Dance Studios, Atmosfera restaurant, Auchan, Baker & McKenzie - CIS Limited, Boris, British-Ukrainian Chamber of Commerce, Budweiser, Business Ukraine, Byblos, Cargill AT, LLC, Carlsberg Ukraine, Citibank, PJSC, ClearWater Ukraine, Coca-Cola Ukraine Limited, D*Lux Complex, Danone, Delta Air Lines Inc. represented by AVIAREPS Group, Delta Medical, DHL Express Ukraine, DOOR Ukraine, DPD Ukraine, East Euro Foundation, Ernst & Young, Euro Leasing, Fairmont Grand Hotel Kyiv, FM Logistic Dniepr, Foodtourist, Gala Media Group, Galnaftogaz Concern PJSC, Hyatt Regency Kyiv, Ingo Ukraine, InterContinental Kyiv, Istil Telecom Ukraine, JT International Company Ukraine CJSC (JTI Ukraine), Kievrianta LLC, Kinomania LLC, KLS, Kraft Foods Ukraina, Kuvshin restaurant, Kyiv-Atlantic Ukraine, Kyiv Weekly, Lactalis-Ukraine, Lafarge Gips, Lavina concert, Leater, LG Electronics Ukraine, Lucky Pub, Mai Thai Lounge Kyiv, Master Klass, Maxi Card, McDonald's Ukraine, Metro Cash & Carry Ukraine, Microsoft Ukraine, Nestle, Office Solutions Ukraine, Pfizer H.C.P. Corporation, Phoenix Center LLC, Platinum Bank OJSC, Premiere International, Premiere Palace, Procter & Gamble Ukraine LLC, Publicis Visage, Pulse, Puma Ukraine, PwC, Raben Ukraine, Royal Catering Services, Sanofi-Aventis Ukraine LLC, SC Johson, Shell, Shooters CaterEvent, Sich se-

curity services, SKY Travel HRG, Sportmaster Ukraine, Staff Service Ukraine, Suntrade S.E./Bunge Ukraine, TNK BP Commerce LLC, Ukraine International Airlines, UPS, UVK, What's On, Winner Imports Ukraine, Wrigley Ukraine, Zinteco.

Chamber Captains of Industry Events

Chamber COI Event: Alfa Jazz Fest with the Chamber

The Chamber was excited to invite all Chamber Captains of Industry (COI) and their spouses on a trip to beautiful Lviv to combine a bit of business and interaction with senior Ukrainian officials as well as enjoy a high-profile cultural program by participating in a unique one of a kind "Travel with the Chamber" extravaganza.



Chamber "Holiday Wine Tasting" COI Event



Chamber Business Networking and Social Activities

Chamber guests had a VIP access to an amazing international music event – Alfa Jazz Fest which hosted such jazz-stars as Kenny Garrett Quintet (USA), Richard Bona: Mandekan Cubano (Cameroon - Cuba), Cassandra Wilson (USA) and others.

Chamber COI Event Holiday Wine Tasting

In 2012 the Chamber was pleased to organize Chamber COI Event “Holiday Wine Tasting” that took place at the beautiful and sophisticated Hyatt Regency Kyiv. During the event Chamber Captains of Industry and Ambassadors had an excellent opportunity to enjoy high-level targeted Business Networking, wine tasting with professional sommeliers and a special wine tasting menu from the chef at Hyatt Regency Kyiv with food created to match the delicious wines offered by Les Grand Chais de France.

Chamber “Business Leaders League” Meetings

Following the success of the Annual Appreciation Reception, the Chamber for the first time in 2012 gathered members of the Business Leaders League for a celebration of the Asian New Year in a high level Business Networking atmosphere. On Thursday, February 9, the doors of Hyatt’s Brunello Bar were opened to over 110 guests from Chamber Member Companies and a number of state officials. All took advantage of the exclusive company to establish useful new business contacts.

The Chamber happily opened the doors of the newly designed Fairmont Grand Hotel Kyiv to all Chamber Business Leaders and Captains of Industry.

The event provided an exclusive opportunity to meet in an atmosphere characterized by elegance and relaxation at the Fairmont Grand Hotel Kyiv. Guests got a tour of the hotel and its numerous rooms and premises. The beautiful hotel’s location let the attendees enjoy stunning views of the Dni-pro River, the city’s bridges, and the picturesque architecture of the surrounding churches and cathedrals.

Chamber Family Events

Chamber Members and their families enjoyed a celebration of Maslyana at Gourmet Club member Kureni restaurant.

As a traditional celebration in Ukraine, Maslyana is a great chance for families to get together and have some fun outside as they appreciate the last days of winter. All guests enjoyed a special entertainment program led by Igor Pospayko and helped themselves to those traditional Masly-



Chamber
Business
Leaders League
Meeting



Chamber Business Networking and Social Activities

ana treats – pancakes! Kids and adults alike took part in fun and festive activities. Of course, didukhs were burned at the end of the event to welcome the arrival of spring.

The Chamber, along with employees of Member Companies and their families, spent a Saturday afternoon at the traditional “Easter Egg Hunt” Family Event at Matreshka restaurant, a Chamber Gourmet Club Member .

Chamber Members and their families and friends spent the last sunny days while cooking together and enjoying their favorite dishes at the Chamber Gourmet Family Day. Working with top cooks, kids learned the art of making sushi and how to make tasty fruit desserts and participated in numerous activities.

Business Networking Cocktails

Chamber Business Networking Cocktails are at the heart of all the event activities the Chamber has to offer. Organized monthly at a Chamber Gourmet Club Member Restaurant, they create a vast platform for the Ukrainian business community to get together, build new contacts, and exchange ideas in a friendly informal atmosphere. Each cocktail party has an interesting theme and there are various networking activities, treats, and entertainment. Throughout 2012 the Chamber held 12 Business Networking Cocktails, attracting over 1,500 guests from Chamber Member Companies:

Chamber “Welcome Back” Business Networking Cocktail

Chamber “Mardi Gras”

“St. Patrick’s Day”

“Blossoming Spring”

“Welcome Summer”

“Life on Top”

**Chamber “Independence Day Picnic After-party”
Business Networking Cocktail**

Chamber Annual Tropical Boat Cruise

Chamber Traditional “Welcome Back” Business Networking Cocktail

**“Support Your Local Chamber of Commerce Day”
Business Networking Cocktail**

Chamber “Halloween Haunted House” Costume Party

Chamber “Get to Know the Candidates” Business Networking Cocktail

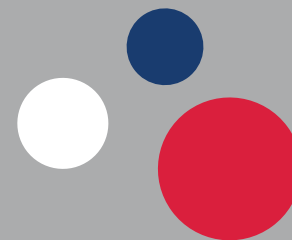
Chamber Charitable “St. Nicholas Day” Business Networking Cocktail



Chamber “Life on Top” BNC



Chamber Business Networking and Social Activities



Travel and Marketing Clubs

Chamber Marketing Club

In April the Chamber in conjunction with its Member Pulse held yet another important Marketing Event in Kyiv – a Chamber Marketing Club event entitled “Instant Sales vs. Brand Loyalty.”

This month we took an in-depth look at two heavyweight contenders, both of whom hold interest for marketers and consumers alike: group sales and instant limited discounting schemes through the Internet; and the loyalty program, a tried and tested method, though one that has been altered in its strategy and implementation. The Marketing Club introduced both contenders to the ring and showed their strengths off to an audience of professionals. The fighters strutted their stuff in a closely fought battle before the final bell.

As usual, the event was a nice networking opportunity for guests who got a chance to enhance their useful contacts while enjoying complimentary beer from Carlsberg Ukraine, Shooters’ famous PUNCH, and soft drinks from Coca-Cola Ukraine. And everybody left the venue with a gift from Pulse, as a remembrance of the evening.

Travel with the Chamber

Explore the Hidden Treasures of Georgia! Part II

After a successful trip to Georgia in April 2011 the Chamber, in conjunction with its Member Sky Travel HRG Georgia, was once again happy to invite all interested Chamber Members to spend a wonderful weekend exploring the hidden treasures of Georgia, a country with an amazing history and much to see.

Social/Family and Team Building Events

The American Chamber of Commerce in Ukraine has been organizing annual indoor and outdoor football tournaments for many years. These fun sporting events provide excellent team building and networking opportunities and have grown in size and popularity among Chamber Members, bringing out the best the Membership has to offer. Each is an exciting competition that highlights sportsmanship and enables employees of Member companies to show off their talents.

Football Tournaments

2012 Annual Chamber Indoor Football Championship Cup

In March 2012 Annual Chamber Indoor Football Championship Cup gathered 16 teams and lasted two weekends in a row. All the matches took place in the professional gym of the Sports Complex of T. Shevchenko National University. The following participants took part in the tournament: Euro Leasing, UkrSibBank, Shell, Deloitte & Touche USC PJSC, Sumitec Ukraine, PWC, HLB UKRAINE, the Embassy of the French Republic, DHL, KPMG-Ukraine Ltd., Schneider Electric Ukraina, Puma Ukraine, ISTIL Group, Coca-Cola Beverages Ukraine Limited, Ernst & Young LLC, and the Embassy of the United States of America.

Congratulations to the Winners!

- **1st place:** ISTIL Group
- **2nd place:** Euro Leasing
- **3rd place:** HLB Ukraine
- **Best Player:** Sergiy Vasylo, ISTIL Group

Chamber Business Networking and Social Activities

- **Best Fullback:** Taras Gnatiuk, Euro Leasing
- **Best Goalkeeper:** Yevgen Zinchenko, HLB Ukraine
- **Best Forward:** Yevgen Adamenko, ISTIL Group

XI Football Outdoor Tournament

The Chamber hosted the 11th Chamber Annual Outdoor Football Tournament, in which 10 teams proudly represented their companies. The event highlighted team work and a healthy lifestyle. This year the event took place at the football field of Sport Complex KPI.

The following participants took part in the tournament: ISTIL Group, KPMG-Ukraine Ltd., Ernst & Young LLC, AES Ukraine, TUID DALGAKIRAN, JTI, Ericsson Ukraine, Coca-Cola Beverages Ukraine Limited, Puma Ukraine, and Deloitte & Touche.

The winners of the 11th Chamber Annual Outdoor Football Tournament were:

- 1st place** — JTI
- 2nd place** — ISTIL Group
- 3rd place** — Coca-Cola Beverages Ukraine Limited

VIII Chamber Paintball Tournament

In August the Chamber hosted the **VIII Chamber Paintball Tournament**.

The tournament welcomed all interested Chamber members along with their families. Ten teams had the chance to compete for the Chamber Paintball Cup and nice prizes from the sponsors.

The tournament was organized in cooperation with the Gepard Paintball Club at a venue located just a few minutes'

drive from Kyiv. The well-planned paintball fields made the tournament a successful one. Attendees enjoyed table tennis, water soccer, tasty snacks, and beer and soft drinks.

This year winners:

- 1st Place** - Ernst & Young LLC
- 2nd Place** - Sayenko Kharenko
- 3rd Place** – Shooters

Chamber English Language Movie Premiere

English Language Movie Premiers with the Chamber are exclusive events in Kyiv. They give Members the chance to watch world movie premieres in English, an experience that



Chamber Business Networking and Social Activities

no cinema in Kyiv can offer. These events are very popular, as they offer guests both entertainment and business networking opportunities. Members see a good movie, but also enjoy good company, along with complimentary drinks and snacks.

Chamber English Language Movie Premiere: “Contra-band”

Chamber Animated English Language Movie Premiere: “The Lorax”

Chamber English Language Movie Premiere: “Dark Shadows”

Chamber English Language Movie Premiere: “Rock of Ages”

Chamber English Language Movie Premiere: “The Dark Knight Rises”

Chamber English Language Movie Premiere: “The Bourne Legacy”

Chamber English Language Movie Premiere: “Savages”

Chamber English Language Movie Night “Cloud Atlas”

Chamber English Language Movie Premiere “Hobbit”

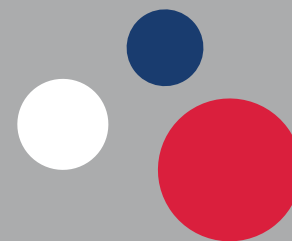
American Independence Day Picnic

Hot and sunny July 7 will be remembered by many Kyivans for being the day of one of the most spectacular outdoor family events on the Kyiv calendar, and one that has traditionally been organized by the American Chamber of Commerce in Ukraine – the Annual Charitable American Independence Day Picnic! The number of people who got together to spend this Saturday with their family and friends at Spartak Stadium speaks for itself: the Chamber team hosted over 5,000 guests.

While enjoying tasty American-style food, refreshing drinks, cotton candy, ice cream, and freshly squeezed juice, guests got cozy on the green grass of the stadium’s field and let themselves dive into the live performances of well-known singers and bands, including the groovy Tex-Mex Company, the Positive Band, the promising young SolOmina, and of course the famous GORCHITZA and the inimitable Aleksey Akkerman.

As usual the event’s entertainment included but was not limited to amusing contests led by the host of the picnic, Igor Posypayko. There were also interactive 3D games provided by LG Ukraine and an exciting Kids Zone with water zorbing and a huge construction kit big enough to build a small town with. The Special Speed Test activity provided by Puma Ukraine gave guests an opportunity not only to find out how fast they can run but also to win a pair of Puma sneakers.

The Charitable Grand Raffle was the essential part of the evening. It found new owners for a number of valuable prizes that



Chamber Business Networking and Social Activities

were kindly provided by the events' sponsors. All the money gathered at the event will be directed to a social entrepreneurship project facilitated by the East Europe Foundation. At last, after a thrilling performance of both national anthems – Ukrainian and American – the field was illuminated by the spectacular fireworks that would be the event's culmination.

Chamber's 20th Anniversary Gala Celebration

Over 1,000 COIs and business leaders from among the Chamber Membership, senior government officials, diplomats, and celebrities gathered at the NSC Olimpiyskyy to celebrate the 20th anniversary of the American Chamber of Commerce in Ukraine. This high profile event highlighted the history of the Chamber, the aspirations of the internationally oriented business community, and the future prosperity of Ukraine. It made clear how the Chamber has been part of this journey and how it will continue to be a strong voice for the business community in the future.

In opening the official ceremony, the President of the American Chamber of Commerce in Ukraine, Jorge Zukoski, highlighted the importance of the effective and constructive working relationships with policy makers throughout the Ukrainian political leadership that the Chamber has managed to establish.

The keynote speaker, **Prime Minister of Ukraine Mykola Azarov**, congratulated the Chamber on its 20th anniversary and wished it success and prosperity in the future as a reliable partner to Ukraine's government.

Mr. Azarov's speech was followed by the official announcement of the President of Ukraine's Order regarding the Chamber President's nomination for a state decoration – the Order of Merit of the III Degree. This award was established in 1996 and

goes to individuals for outstanding achievements in economics, science, culture, the military, or politics. The Order was solemnly proclaimed by Iryna Akimova, First Deputy Head of the Administration of President of Ukraine, in the presence of all guests.

H.E. John Tefft, Ambassador Extraordinary and Plenipotentiary of the United States of America to Ukraine, also congratulated Chamber Members on the 20th anniversary of the organization's activities. He highlighted the Chamber's valuable input into the development of a proper business environment of Ukraine.

A round of the best Business Networking in Ukraine followed the official part of the event, bringing guests together for a buffet reception with delicious food and refreshing drinks.

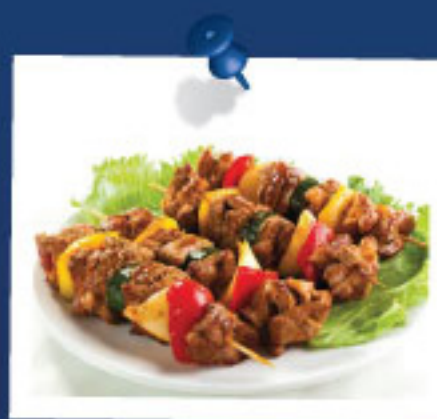


Chamber's 20th
Anniversary Gala
Celebration





CHAMBER GOURMET CLUB



Chamber Gourmet Club

Chamber Gourmet Club

The **Chamber Gourmet Club** is a network of the best restaurants in Kyiv. All are ready to welcome Chamber Members with special offers and discounts.

Throughout 2012 the Gourmet Club worked to expand its membership and to give Chamber Card-holders a variety of choices and venues. We are proud to announce that there are now 96 Gourmet Club Members, as Mare Azzuro, Byblos, Just CAFE, Kuvshin, Da Vinci Fish Club, LEO, SkyArtCafe, SEREBRO restaurant and music bar, Knyazhiy Grad, Tandyr, CITRONELLE, Dark Side and other establishments have recently joined and are ready to greet Chamber Members with high-level service and special discounts.

In 2009 the Chamber developed and launched a new Gourmet Club website, which grew more popular among Chamber Members over 2010-2012. Stable visitor ratings indicate that the Gourmet Club website is one of the first sources that Chamber members refer to when they look for a place to eat out.

With the help of unique advertising layouts specially developed by Chamber Member Tabasco Creative Agency, the Gourmet Club has been promoted in the print media, particularly in Business Ukraine and What's On.

The Gourmet Club pages on social networks (Facebook, Twitter, Linked In) have fostered even easier access to restaurant news, updates, special offers, and discounts. We have managed to reach all kinds of audiences – from current Internet users to conservative magazine and newspaper readers.

The Gourmet Club is constantly seeking new restaurants for its network in order to provide Chamber Members with

the widest range of benefits and discounts and to satisfy all the tastes.

In the Restaurants category you'll find all the participants in the Chamber Gourmet Club, which unites the best restaurants in Kyiv. Holders of COI and Silver Cards get 15% and 10% discounts, respectively, at Gourmet Club restaurants!

www.gourmetclub.ua



Chamber Gourmet Club



Ani

Kyiv, 72 Chervonoarmiis'ka Street +38 (044) 590-2565

Antwerpen

Kyiv, 38 Pushkins'ka Street +38 (044) 234-1300

ARISTOCRATE RESTAURANT

Kharkiv, 10/12 Artema Street +38 (057) 752-4004

Arizona BBQ

Kyiv, 25 Naberezhno-Khreshchatyts'ka Street +38 (044) 425-2438

Art-Club 44

Kyiv, 44 Khreshchatyk Street +38 (044) 279-4137

Atmosfera

Kyiv, 5-7/29 Tarasa Shevchenka Boulevard / Pushkinska Street +38 (044) 244-1304

Bacchus

Kyiv, 16/2 Ivana Franka Street +38 (044) 234-6506

Bar on 8

Kyiv, 5 Ally Tarasovoi Street +38 (044) 581-1234

baz

Kyiv, 22 Rybal's'ka Steet +38 (044) 332-9965

Bellini's Bar

Kyiv, 53 Bohdana Khmel'nyts'koho Street +38 (044) 581-7070

Belmondo

Kyiv, 17 Hoholivs'ka Street +38 (044) 362-5886

b-hush

Kyiv, 2A Velyka Zhytomyrs'ka Street +38 (044) 219-1919

BIBLIOTECH smart cafe

Kyiv, 120 Saksahans'kogo Street +38 (067) 502-5535

Billiard Club "Sharpei™"

Kyiv, 26 Moskovs'kyi Avenue +38 (044) 390-1712

Buena Vista Latin House

Kyiv, 8/14 Velyka Zhytomyrs'ka Street +38 (044) 279-5127

Byblos

Kyiv, 20 Artema Street +38 (044) 288-1888

Cafe de Paris

Kyiv, 34B Andriyivskyy descent +38 (044) 221-2218

China White

Kyiv, 24 Lesi Ukrainky Boulevard +38 (044) 594-2175

Ciro's Pomodoro Kharkov

Kharkiv, 181 Moskovs'kyi Avenue +38 (057) 766-7001

CITRONELLE

Kyiv, 23 Bohdana Khmel'nyts'koho Street +38 (044) 499-3936

Comme Il Faut

Kyiv, 2A Velyka Zhytomyrs'ka Street +38 (044) 219-1919

Cote d'Azur

Kyiv, 15 Petra Sahaidachnogo Street + 38 (044) 581-2828

D*LUX

Kyiv, 3 Mykhaila Hrushevs'koho Street +38 (044) 200-9009

Da Vinci Fish Club

Kyiv, 12 Volodymyrs'ka Street +38 (044) 490-3434

Dark Side

Kyiv, 14A Ihorivs'ka Street +38 (044) 428-8838

Dejavu

Kyiv, 30 Bohdana Khmel'nyts'koho Street +38 (044) 235-9802

DOM

Kyiv, 7 Borysa Hrinchenka Street +38 (044) 353-4040



Chamber Gourmet Club



Doversol

Kyiv, 81 Chervonoarmiys'ka Street +38 (044) 531-1378

Dukhmiana

Pich Lesniki Village, Kyiv Region, 4th km of the New Obuhivs'ka Highway, Lesniki village, 4th km of the New Obuhovskaya route +38 (044) 228-8889

Dumka

Kyiv, 20 Akademika Tupoleva Street +38 (044) 221-3900

Food Time

Kyiv, 16/4 Verkhniy Val Street +38 (044) 500-7987

GORILLA

Kyiv, 34A Lesi Ukrainky Boulevard +38 (044) 585-4120

Grand Cru Champagne Bar

Kyiv, 1 Naberezhno-Khreshchatyts'ka Street
+38 (044) 322-8888

Grill Asia

Kyiv, 5 Ally Tarasovoi Street +38 (044) 581-1234

Jardin

Kyiv, 38/40 Tarasa Shevchenka Boulevard
+38 (044) 362-1210

Just C.A.F.E.

Kyiv, 39 Bohdana Khmel'nyts'koho Street
+38 (044) 235 04 07

Karavan

Kyiv, 10 Klovs'kyi Descent +38 (044) 280-957

Kazbek

Kyiv, 30A Lesi Ukrainky Boulevard +38 (044) 285-4805

Khinkali

Kyiv, 4 Shota Rustaveli Street +38 (044) 234-0692

Knyazhiy Grad

Kyiv, 2 Velyka Zhytomyrs'ka Street +38 (044) 278-0641

Korona-Club

Kyiv, 4 Rohnidyns'ka Street +38 (044) 289-0216

Kozachok Hurzuf

Hurzuf, 69th km of Simferopol-Yalta road +38 (067) 329-8282

Kozachok Mila

Mila village, Kyiv region, 46 Komarov Street, 24th km of Kyiv-Zhytomyr road +38 (067) 329-8505

Kozachok

Shchaslyve "Kyiv-Boryspil" Road, 7 km from the CP of Kyiv
+38 (044) 592-2021

Kozachok Sovky

Kyiv, 118 Kirovohrads'ka Street +38 (044) 527-9348

Kozachok Osokorky

Kyiv, 11 Tsentralna Street +38 (044) 573-8505

Koza-Dereza

Kyiv, 52A Artema Street +38 (044) 486-0040

Krep de Shin

Kyiv, 25 Hoholivs'ka Street +38 (044) 537-7070

Kuvshin

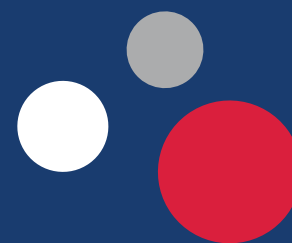
Kyiv, 96 Chervonoarmiys'ka Street +38 (044) 592-6363

LEO

Kyiv, 20 Parkova Road +38 (044) 270-7171

Lobby Lounge Bar

Kyiv, 2A Velyka Zhytomyrs'ka Street +38 (044) 219-1919



Chamber Gourmet Club



Lucky Pub

Kyiv, 13 Chervonoarmiis'ka Street +38 (044) 499-1313

Mai Tai Lounge

Kyiv, 66 Chervonoarmiis'ka Street +38 (044) 583-5553

maLLina cafe

Kyiv, 27B Petra Sagaydachnogo Street +38 (044) 425-4508

Marakuya

Kyiv, 29 Marshala Tymoshenka Street +38 (044) 536-1085

Mare Azzuro

Kyiv, 1/10 Bankova Street +38 (044) 253-0765

Matreshka

Kyiv, 27rd km of new Obukhivska Highway
+38 (067) 247-0665

Mocco

Kyiv, 15 Khreshchatyk Street +38 (044) 230-9230

Myslyvets Grill-restaurant

Kyiv, 147/5 Saksahans'koho Street +38 (044) 236-3735

Nirvana

Kyiv, 28V Lesi Ukrainky Boulevard +38 (044) 285-5215

Nobu

Kyiv, 12 Shota Rustaveli Street +38 (044) 246-7734

Non-Stop

Kyiv, 6 Peremogy Avenue +38 (044) 236-0501

O'BRIEN'S

Kyiv, 17A Mykhailivs'ka Street +38 (044) 279-1584

O'CONNOR'S

Kyiv, 15/8 Khoryva Street +38 (044) 425-7788

Olimpiyskiy Sport&Beer

Kyiv, 55 Chervonoarmiis'ka Street +38 (067) 344-3333

Olivera

Kyiv, 2A Velyka Zhytomyrs'ka Street +38 (044) 219-1919

O'Panasy

Kyiv, 10 Tereshchenkivs'ka Street +38 (044) 585-0523

Paris-Dakar

Kyiv, 46 Dmytrivs'ka Street +38 (044) 490-8156

Petrovsky Brovar

Brovary, 131 Osipova Street +38 (044) 599-4500

Restaurant of Boutique-Hotel Riviera on Podol

Kyiv, 15 Petra Sahaidachnogo Street + 38 (044) 581-2828

Sam's Steak House

Kyiv, 37 Zhylyans'ka Street +38 (044) 287-2000

Scorini Wonderland

Kyiv, 31A Shota Rustaveli Street +38 (044) 289-7812

SEREBRO restaurant and music bar

Kyiv, 3 Mechnykova Street +38 (096) 303-0000

Shangri-La

Kyiv, 41 Petra Sahaidachnoho Street +38 (044) 462-5321

Skatert-Samobranka

Kyiv, 26A Bohatyrs'ka Street +38 (044) 592-0020

SkyArtCafe

Kyiv, 1-3 Chervonoarmiis'ka Street +38 (044) 561-7841

Smacotella

Kyiv, 4A Heroiv Stalinhradu Avenue +38 (044) 597-1405



Chamber Gourmet Club



Sorry Babushka

Kyiv, 18/24 Dmytrivs'ka Street +38 (044) 486-0300

Spotykach

Kyiv, 16 Volodymyrs'ka Street +38 (044) 586-4095

Stare Zaporizhzhya

Kyiv, 27 Petra Sahaidachnoho Street +38 (044) 425-5161

Surprise

Kyiv, 3 Pyrohova Street +38 (044) 235-7234

Tampopo

Kyiv, 55 Saksahans'koho Street +38 (044) 289-2999

Tandyr

Kozyn, Kyiv Region, 11D Kyivs'ka street (29th km of Staroobuhivska Highway) +38 (044) 520-8770

TARANTINO

Kyiv, 35 Petra Sahaidachnoho Street +38 (044) 463-7390

Tarelka fun-restaurant

Kyiv, 62/20 Dmytrivs'ka Street +38 (044) 220-2060

Tavern "Love and Hunger"

Romankiv Village, Kyiv Region, 28th km of the New Obuhivs'ka Highway +38 (044) 332-7500

Tavern "Syto-Pyano"

Kyiv, 19A Dniprov's'ka Embankment +38 (044) 585-6440

Teatro

Kyiv, 53 Bohdana Khmel'nyts'koho Street +38 (044) 581-7070

TERRACE

Kyiv, 60A Vozdvyzhens'ka Street +38 (044) 531-9933

TERRACOTTA

Kyiv, 5-7/29 Tarasa Shevchenka Boulevard / Pushkinska Street +38 (044) 244-1212

The Atrium Lounge & Pâtisserie

Kyiv, 1 Naberezhno-Khreshchatyts'ka Street +38 (044) 322-8888

The Strand Grill

Kyiv, 1 Naberezhno-Khreshchatyts'ka Street +38 (044) 322-8888

Tike

Kyiv, 31 Petra Sahaidachnoho Street +38 (044) 417-4062

Tolstoy restaurant-club

Kyiv, 19 Chervonoarmiys'ka Street +38 (044) 200-3838

Très FRANCAIS

Kyiv, 3 Kost'ol'na Street +38 (044) 279-7771

Trypillya

Pidhirtsi Village, Kyiv Region, 27th km of the New Obuhivs'ka Highway +38 (044) 585-5566

Uruk

Kyiv, 11 Yaroslaviv Val Street +38 (044) 235-1596

Varenichnaya №1

Kyiv, 28 Esplanadna Street +38 (044) 287-1539

VilleR

Kyiv, 4A Heroiv Stalinhradu Avenue +38 (044) 597-1400

Vintage Cocktail Bar

Kyiv, 1 Naberezhno-Khreshchatyts'ka Street +38 (044) 322-8888





MEMBERSHIP DISCOUNT PROGRAMS



Membership Discount Programs

The **Chamber Discount Program** is one of the most sought after benefits for Chamber Members. The Chamber promotes the use of Chamber Membership Cards among employees, so that they can get discounts in the following areas:

- Accommodation and hotels
- Advertising, media, and printing
- Airlines and travel services
- Business services
- Car leasing and sales
- Consulting and outsourcing
- Delivery and logistics
- Education and training
- Furniture and equipment
- Healthcare and beauty services
- Insurance
- IT and software
- Legal services
- Real estate
- Restaurants
- Retail establishments



Chamber Member companies get access to a highly valuable target market and utilize a reputable and well-recognized promotional vehicle. The Chamber Discount Program not only allows participating Members to boost their companies' profiles and revenues, it also gives representatives of every Chamber Member Company the benefit of access to the many discounts on offer.

The number of discounts is constantly growing. You can find the latest updates at www.chamber.ua/discount. Members can also subscribe for RSS and get the latest updated directly to their mailboxes.

Maxi Loyalty Program



Your Chamber Membership Card has been enhanced to provide an additional value. The Chamber and Maxi, the first multi-brand loyalty program in Ukraine, have collaborated to let you earn rewards while you shop.

Using your card you can get discounts and collect bonuses whenever you shop in the Maxi retail network, which includes brands from the entire lifestyle spectrum.

You can redeem collected bonuses to purchase goods at any shop in the Maxi network. The network is rapidly growing and will soon have several thousand locations at which you can use your Chamber Membership Card.

Just look for the Maxi butterfly at the store entrance and keep an eye on the Maxi website, www.maxicard.ua, to learn where you can save and earn rewards.





NEW MEMBERS IN 2012



New Members in 2012

Adizes Institute

AgriSol Ltd

Agro Soul

AGROTRADE Group

Air Liquide Ukraine

Albatros-Travel

Alekseev, Boyarchukov and Partners

All Star Realty

ANCOR Personnel Ukraine LLC

Apotex Inc. Representative Office in Ukraine

Argus Limited

ASTRA-KYIV LLC

Awara Group LLC

Axis Group Ltd.

BACARDI-MARTINI UKRAINE

Bathyscaphe LLC

BEKO Ukraine LLC

Brenntag Ukraine LLC

Capital Times Investment Company

Carlo Pazolini

Centre For Transport Strategies Ltd.

CITA Travel Company

CMS Reich-Rohrwig Hainz LLC

Cub Energy Inc.

D&Y, LTD

Deutsche Bank DBU PJSC

E2Market

EMC Ukraine

ENI UKRAINE LLC

First Dnieper Investment Company

Focal Line Solar LLC

GAP Ukraine LLC

Gavilon Ukraine, LLC

GE Ukraine

Gefco Ukraine

Genom Biotech

Global Restaurant Group - Ukraine LLC

Google LLC

Happy Farm LLC

Healthyway

iBPM LLC

IMS Global Limited

Information Systems Security Partners (ISSP)

Innovecs



New Members in 2012

International Business Centre (MDC LLC)

Iskander Energy Corporation

Kornatskiys Private Farm Ltd.

Kuehne + Nagel Ukraine Limelight Networks Ukraine

LNK LLC

MEGABANK, PJSC

Molson Coors Ukraine

NEO FORTE

Nycomed: a Takeda Company

Oriflame Cosmetics Ukraine, Subsidiary Company

Otten Consulting LLC

Palomar Systems

Peugeot Citroen Ukraine SARL

Pleon Talan

PLS Logistics Services

Popko Brothers & Partners, Law Firm

Porsche Leasing Ukraine LLC

Propan-Trade

Quinn Properties Ukraine

Radisson Blu Hotel, Kyiv Podil

Ramada Encore Kiev

Scan-Shipping LLC

SCIENTIFIC-TECHNICAL CENTER of SUBSURFACE
INVESTIGATION

Stanfy

Sumitomo Corporation Central Eurasia LLC, Kyiv Representative Office

SvitSoft LTD

Swissport Ukraine LLC

Trade House International Trade Service LTD

Trelad International Real Estate Agency

USAID - Public Private Partnership Development Program
(P3DP)

USAID FAIR Justice Project

Vikoil Ltd

Viterra Ukraine LLC

Volvo Ukraine LLC

WEATHERFORD UKRAINE

X.COMMERCE DEVELOPMENT CENTER LLC





Horizon Park Business Center
12 Amosova Street, 15th Floor
Kyiv 03680, Ukraine

Phone: (380-44) 490-5800
Fax: (380-44) 490-5801

chamber@chamber.ua
www.chamber.ua