

Report name	Issued recommendations	Execution status
Systemic report "Main problems faced by business in customs sphere"	To develop and approve the mechanism for implementing the Resolution of the Cabinet of Ministers of Ukraine No. 479 "On Realization of Experimental Project Aimed at Creating Conditions Making It Impossible to Avoid Paying Customs Duties and Fees", dated June 20, 2018 to ensure compliance with (1) Articles 338 and 558 of the Customs Code of Ukraine; (2) the Resolution of the Cabinet of Ministers of Ukraine No.467, dated May 23, 2012 "On Approval of the Exhaustive List of Grounds, Whose Existence is Required to Carry Out Examination (Re-Examination) of Goods, Commercial Transportation Vehicles by Fiscal Authorities of Ukraine"; as well as (3) the Order of the Ministry of Finance of Ukraine No.1316, dated December 12, 2012 "On Approval of the Procedure of Carrying Out Examination and Re-Examination of Goods, Commercial Transportation Vehicles". Ministry of Finance	Recommendation is no longer relevant
Systemic report "Control over controllers: status of control bodies reform implementation"	To consider standardization of documents that the SRS issues in cases of violations by control bodies, licensing and permitting authorities. Ministry for Development of Economy, Trade and Agriculture of Ukraine State Regulatory Service	Recommendation is no longer relevant
Systemic report "Challenges for government and business in dealing with local government"	To prepare amendments to the legislation on the licensing and permit system to eliminate conflicting provisions regarding the liability of officials of such authorities (including heads of control bodies) for failure to execute the SRS orders. In particular, these amendments should focus on eliminating violations in the following areas:-revocation of licenses;- registration of declarations of conformity of material and technical facilities with the law;-deadlines for submission of conclusions and results of examinations, surveys, and other scientific and technical assessments required for the issuance of a permit. Ministry for Development of Economy, Trade and Agriculture of Ukraine State Regulatory Service	Recommendation is no longer relevant
Systemic report "Reducing the risk of corruption and attracting investment to the construction industry"	To prepare guidelines for damages to landowners and users to be determined by commissions set up by local state administrations and the executive committees of local councils and those of oblast-level cities. Ministry of Environment and Natural Resources Ministry of Agricultural Policy and Food	Recommendation is no longer relevant
Systemic report "Reducing the risk of corruption and attracting investment to the construction industry"	To work with interested agencies to draft changes to legislation that will clearly regulate what constitutes unclassified or open access information and what is restricted information, and then nudge local government agencies to publish their urban development plans at their websites. Ministry of Regional Development, Construction and Residential Services	Recommendation is no longer relevant
Systemic report "Reducing the risk of corruption and attracting investment to the construction industry"	To propose amendments to the Commercial Code of Ukraine to change the section on subcontracting agreements for the execution of works that are drawn up in line with the Law of Ukraine "On public procurements," to require providing both the commissioner and the executors -contractors, subcontractors and engineers engaged in technical supervision - with open access to information about the progress of the works for the purpose of ensuring their accountability to the public at all stages of the procurement process, from design to completed construction and commissioning. Ministry for Development of Economy, Trade and Agriculture of Ukraine Ministry of Regional Development, Construction and Residential Services	Recommendation is no longer relevant

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Systemic report "Natural monopolies vs. competitive business: how to improve relations"	<p>To hold additional public hearings while preparing a Draft Law "On amending certain legislative acts regarding the hooking-up fees..." to consider issues that arise when the customer's facilities are being hooked up to power grids and to discuss in detail possible ways to regulate them through legislation, including issues of greater access to information on the network conditions, available capacities, open register of hook-ups, etc. National Energy and Utilities Regulatory Commission</p> <p>To provide a training program for both the staff and licensees on the RAB methodology application. National Energy and Utilities Regulatory Commission</p>	<p>Recommendation is no longer relevant — comments: To date, the issue of broadening access to information on the state of networks and available capacity, keeping record of the hook-up register has not been regulated at the legislative level yet.</p> <p>Recommendation is no longer relevant — comments: Educational activities for the NEURC staff and licensees in the spheres of water-, heat supply and sewage (i.e. training programs, workshops, seminars) are being conducted within the frameworks of the USAID Municipal Energy Reform Program in Ukraine (MERP) that is implemented in accordance with the annual working plans.</p>
Systemic report "Problems with administering business taxes in Ukraine"	<p>To eliminate the requirement of depositing the balance of VAT accounts with operational cash from the Tax Code due to its' non-compliance with the best international practices and harmful effect for the day-today activities of the taxpayers. Thus, VAT electronic administration shall cease to be employed as a tool for replenishing state budget through cash advances and start performing its core administrative function. State Tax Service of Ukraine Ministry of Finance</p> <p>To amend the Tax Code to set out a clear procedure for calculation and payment of penalties imposed for late VAT refund. It shall be clearly stated in the Tax Code that the amount of penalty shall be paid to the taxpayer irrespective of the fact of its' receipt of reconciled VAT refund. Ministry of Finance State Tax Service of Ukraine</p> <p>It could be expedient to officially recognize the VAT refund amounts due to businesses as internal state debt. Such state debt shall be subject to restructuring according to mechanisms amicably agreed in negotiations between the tax authorities and businesses. The selection of the mechanisms should be flexible enough to allow restructuring with the account of specifics of particular case and business. Ministry of Finance State Tax Service of Ukraine</p> <p>To increase the timing for administrative appeal by the taxpayer, while the timing available to the tax authority for providing feedback to the appeal shall be decreased. This timing could be fixed at traditional 30 calendar days for both parties. Ministry of Finance State Tax Service of Ukraine</p>	<p>Recommendation is no longer relevant — comments: Respective amendments were proposed by the BOC during the discussion of amendments to the Tax Code of Ukraine in December 2015. However, the proposals were not approved by the Ministry of Finance.</p> <p>Recommendation is no longer relevant — comments: The relevant amendments were proposed by the BOC during the discussion of amendments to the Tax Code of Ukraine in October-December 2016. However, the proposals were not approved by the working group at the Ministry of Finance.</p> <p>Recommendation is no longer relevant — comments: The launch of the automated registry of VAT refund is foreseen by the Law No.1797 dated 21 December 2016. On 17 January 2018, the CMU adopted a draft law governing VAT refund to tax payers that filed their refund applications prior to 1 February 2016, though failed to be refunded from the state budget. Additionally, the draft law governs the issue of the VAT refund claimed for recovery before February 1, 2016, but denied by the SFS as of 1 January 2017 (the taxpayers were not entitled for budget refund) and in respect of which the court decision to grant budgetary refund to the tax payer has become effective. Thus, the draft law will ensure fair conditions for the tax payers during the period of referring to the provisions of the Tax Code on the matters of VAT refund from the state budget according to applications registered within the Temporary Registry and on applications in terms of which the administrative and court proceedings have been completed.</p> <p>Recommendation is no longer relevant</p>
Systemic report "problems with cross-border trading in Ukraine"	<p>To reconsider the approach to setting scrap metal export volumes to reflect industrial needs for scrap metal among iron and steel enterprises based on reliable statistical data for steel production in the previous year, projections for the current year and a detailed analysis of scrap metal consumption on the domestic market. Ministry for Development of Economy, Trade and Agriculture of Ukraine</p>	<p>Recommendation is no longer relevant — comments: (carried out annually) In accordance with paragraph 2 of the second part of Article 13 of the Law of Ukraine "On the Scrap Metal", the central executive authority, which implements the state industrial policy in the implementation of operations with scrap metal within its powers, carries out, with the involvement of other state and non-governmental organizations, the analysis of potential reserves and makes the annual balance of generation and consumption of scrap in Ukraine.</p>

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	<p>To distribute scrap metal volumes based on supply and demand in accordance with the number of applications for export quotas from domestic enterprises. Ministry for Development of Economy, Trade and Agriculture of Ukraine</p>	<p>Recommendation is no longer relevant — comments: According to the Resolution of the Cabinet of Ministers of Ukraine "On approval of the lists of goods, the export and import of which is subject to licensing and quotas for 2019" of 27.12.2018, No.1136, no quotation and licensing of export (import) of scrap metal is foreseen.</p>
	<p>To increase export levels whenever domestic iron and steel enterprises are fully supplied and excessive surpluses of scrap metal build up. Ministry for Development of Economy, Trade and Agriculture of Ukraine</p>	<p>Recommendation is no longer relevant — comments: (carried out annually) In accordance with paragraph 2 of the second part of Article 13 of the Law of Ukraine "On the Scrap Metal" , the central executive authority, which implements the state industrial policy in the implementation of operations with scrap metal within its powers, carries out, with the involvement of other state and non-governmental organizations, the analysis of potential reserves and makes the annual balance of generation and consumption of scrap in Ukraine.</p>
	<p>To prevent possible violations by unfair market players by no longer hand managing the business reputation of applicants; monitor international contracts by exchanging relevant information with the State Fiscal Service, including Customs. Ministry for Development of Economy, Trade and Agriculture of Ukraine</p>	<p>Recommendation is no longer relevant</p>
	<p>As a short-term solution: To develop working mechanisms to immediately notify companies about special sanctions imposed against them. The mechanism of mediation should be foreseen prior to the application of special sanctions, which can include any explanations and/or objections regarding the alleged violations. To approve a clear minimum materiality threshold for failure to comply with Laws and Regulations on foreign trade activities and formalize this through an executive Order. To reduce the maximum timeframe for reviews of individual licensing applications to any rationale number of working days, reflecting the types of foreign trade activity. To delegate individual licensing responsibilities from the Ministry to its regional offices. Ministry for Development of Economy, Trade and Agriculture of Ukraine</p>	<p>Recommendation is no longer relevant</p>
	<p>To update the list of cases when the customs authorities may have concerns regarding the accuracy of declared customs value (DCV). In case the customs officer requires additional consultations regarding the customs value of goods, the information source has to be single and clear. In case the customs officer has doubts, he must justify causes of these doubts based on documental evidence. State Tax Service of Ukraine</p>	<p>Recommendation is no longer relevant</p>
	<p>To provide regular training for customs officers in order to improve their capacity for customs valuation. It is critical that Customs officials develop an in-depth understanding of the methods of goods valuation and be able to apply official recommendations and clarifications from the World Customs Organization. State Tax Service of Ukraine</p>	<p>Recommendation is no longer relevant — comments: Improvement of the qualification of SFS customs officers is carried out in accordance with the Guideline on professional development of the SFS officials (seminars, trainings, training courses, lectures, round tables, practical classes).</p>
Systemic report "Getting access to electricity"	<p>To hook up a customer's power unit to power network pursuant to contract only (without filing a separate application). National Energy and Utilities Regulatory Commission</p>	<p>Recommendation is no longer relevant — comments: The new market suggests that the use of electric power is possible in the presence of two contracts, namely, the agreement on the power distribution, concluded between the supplier and the operator of the distribution system, as well as the agreement on the power supply, concluded between the supplier and the customer (business).</p>
	<p>To change the moment of signing the supply agreement based on whichever of the following takes place later: commissioning the outside power supply unit or the customer putting its facility into operation. National Energy and Utilities Regulatory Commission</p>	<p>Recommendation is no longer relevant — comments: Due to the effect of "unbundling" rules, the owner of the utility networks (i.e. oblenergo) may not necessarily be a "power supply organization".</p>