

# REPORT

A decorative graphic consisting of multiple parallel lines. On the left, there are several blue lines that fan out from the bottom left towards the center. On the right, there are several grey lines that fan out from the center towards the right edge. The lines are of varying lengths and angles, creating a dynamic, layered effect.

## Quarter IV 2016

01 October – 31 December

The background of the page is a complex, abstract pattern of gray lines. These lines are arranged in a series of parallel, slightly curved paths that create a sense of depth and movement, resembling a stylized architectural structure or a series of overlapping planes. The lines are most prominent on the left side and top, where they form a dense, layered effect, and they gradually become more sparse towards the right and bottom.

# ADVOCATING FOR BUSINESS WITH THE GOVERNMENT

[www.boi.org.ua](http://www.boi.org.ua)

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*The BOC and the Council are used interchangeably throughout the text to refer to the Business Ombudsman Council.*

# FOREWORD



## Dear Friends, Colleagues, and Partners,

I am pleased to present the Business Ombudsman Council's report for Q4 2016.

In the reporting quarter, we have seen some remarkable results – a testament to having found our voice in Ukraine's business environment.

The Council received 275 complaints, the largest quarterly amount since launch of operations. We undertook the second largest number of investigations in the Council's history – 147. We closed over 60% of cases with positive – either financial or non-financial – result for complainants. The direct financial impact of our operations only in this quarter was UAH 3.8 billion, and the overall financial effect since launch of our operations has reached over UAH 8.7 billion.

Our dialogue with government agencies reached its all-time high with government agencies implementing 87% of all recommendations issued by the BOC by the end of this reporting quarter. Although tax issues remain the most pressing for entrepreneurs, we would like to note efficient cooperation with State Fiscal Service of Ukraine that has improved implementation of recommendations to 91%, which is an 11 percentage points rise since previous quarter.

In this reporting quarter we also prepared systemic report on "Challenges for Government and Business in dealing with local government".

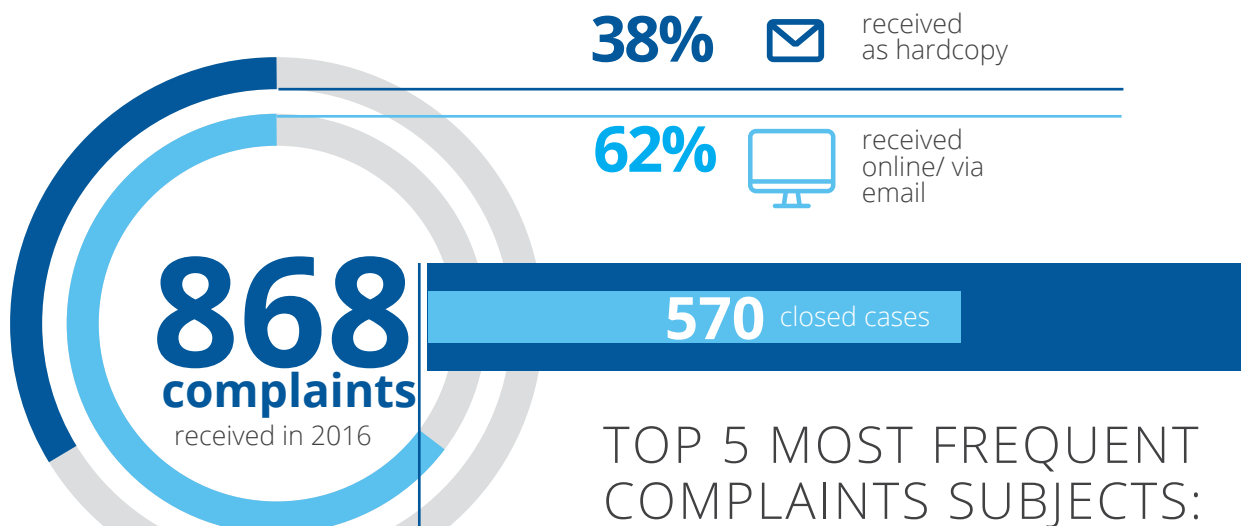
Hundreds of Ukrainian entrepreneurs now have access to their Business Ombudsman for help in the area of fighting corruption. The main challenge was to get entrepreneurs familiar about our role to avoid apprehension about our mandate. As we see now, we have reached significant progress so far – 95% of claimants are satisfied with working with us, and our complaints curve keeps growing. Going forward, I see our task in further engaging our stakeholders and serving the needs of Ukrainian business.



**Algirdas Šemeta**

Business Ombudsman of Ukraine

# 2016 AT A GLANCE



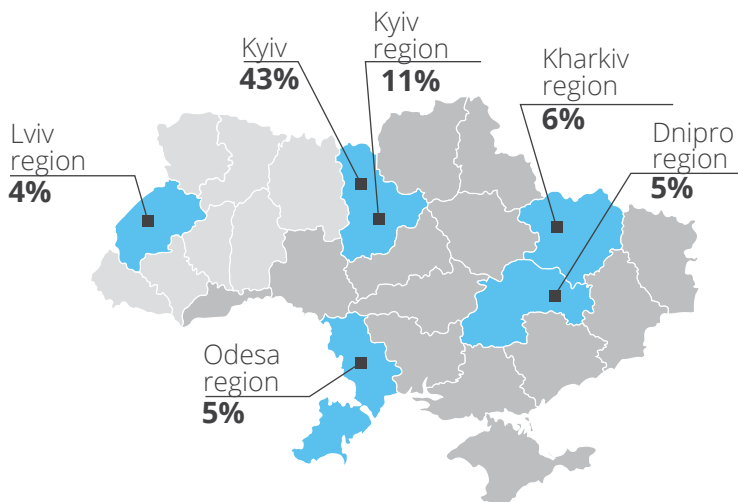
**87%**

of recommendations implemented

## TOP 5 MOST FREQUENT COMPLAINTS SUBJECTS:

- 49%** Tax issues
- 19%** Actions of law enforcement agencies
- 8%** Deficiencies in regulatory framework
- 8%** Actions of state regulators
- 7%** Local councils/municipalities issues

## TOP 6 MOST ACTIVE REGIONS:





**6 000 000 000**  
UAH

direct financial impact

**5** MEMORANDA SIGNED WITH  
GOVERNMENT AGENCIES

**4** 4 SYSTEMIC REPORTS  
PUBLICIZED

## OUTREACH



**200+**  
outreach events



**7 000+**  
media mentions

**99%**

mentions positive  
and constructive

## TOP-5 INDUSTRIES:



**20%**  
Wholesale  
and  
Distribution



**19%**  
Manufacturing



**8%**  
Agriculture  
and Mining



**7%**  
Individual  
Entrepreneur



**7%**  
Real Estate  
and Construction

## SIZE OF BUSINESS:



**25%**  
large



**75%**  
small and  
medium

## FOREIGN/ LOCAL:

**79%**  
local  
business



**21%**  
business with  
foreign  
investment



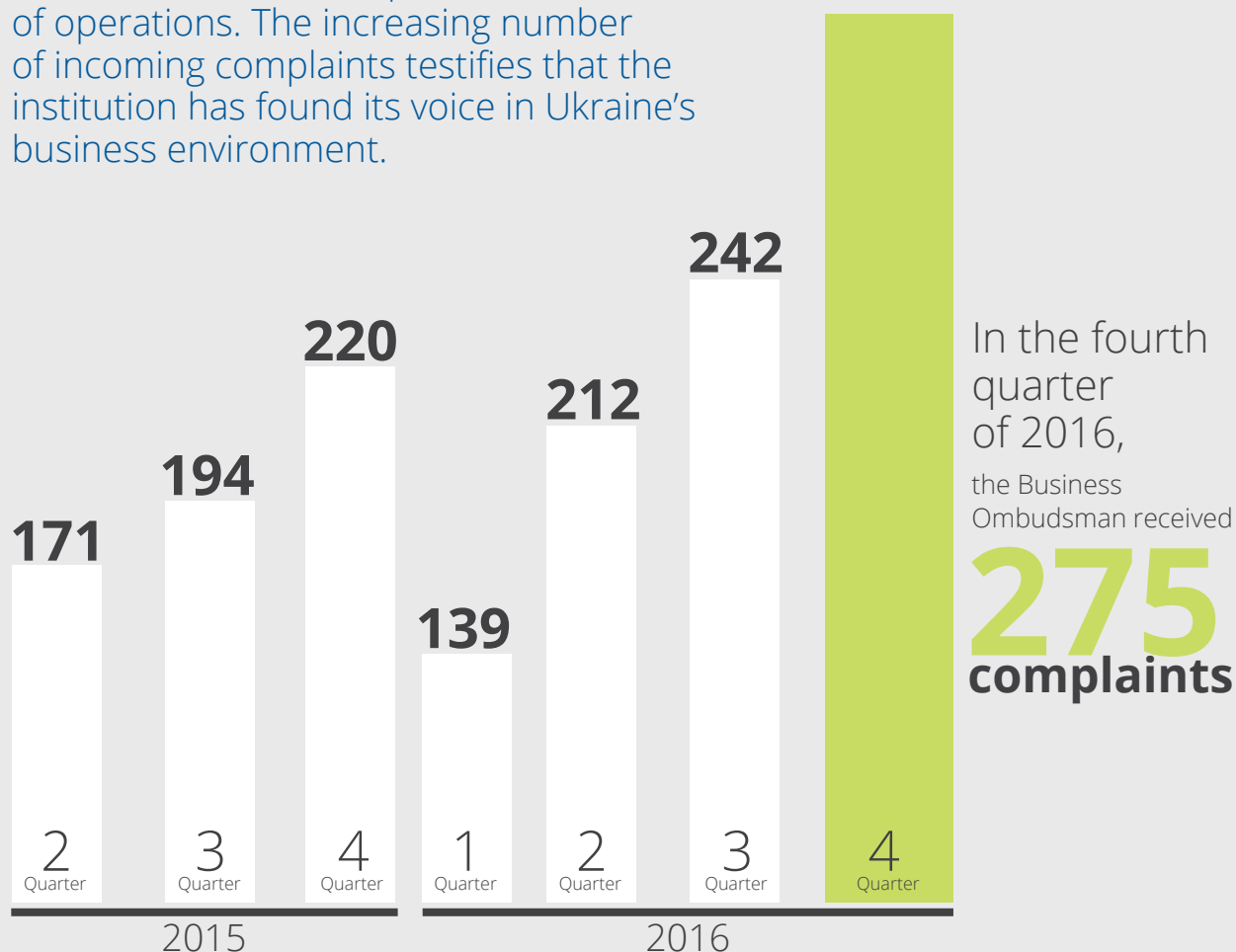
**+7**  
team members  
(23 employees overall)

# COMPLAINT TRENDS

## 1.1. Volume and nature of complaints received

(Clause 5.3.1 (a) of Rules of Procedure)

In this quarter, the BOC received the record number of complaints since launch of operations. The increasing number of incoming complaints testifies that the institution has found its voice in Ukraine's business environment.



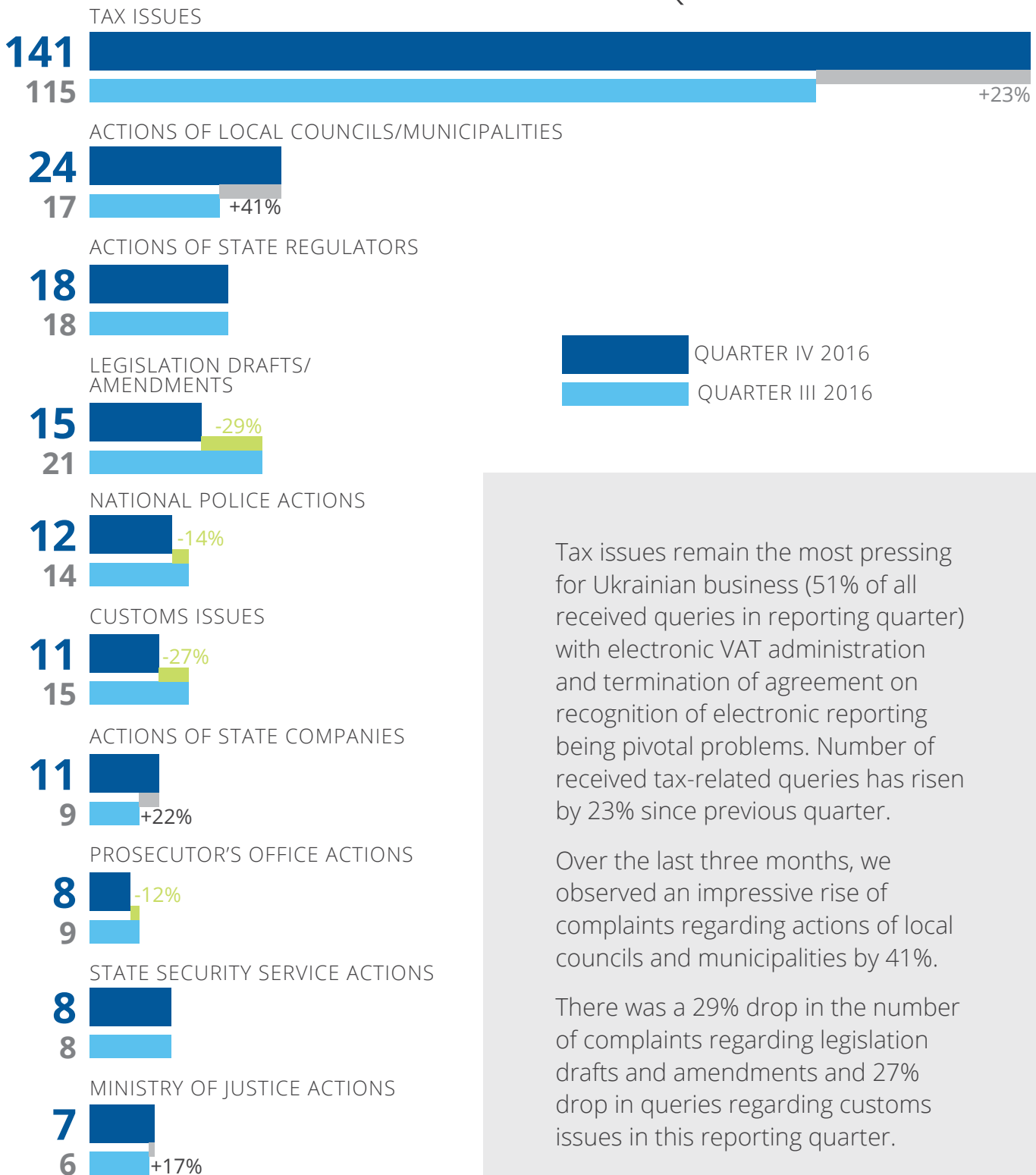
Total number of complainants received since launch of operations in May 2015:

# 1453



# TOP-10

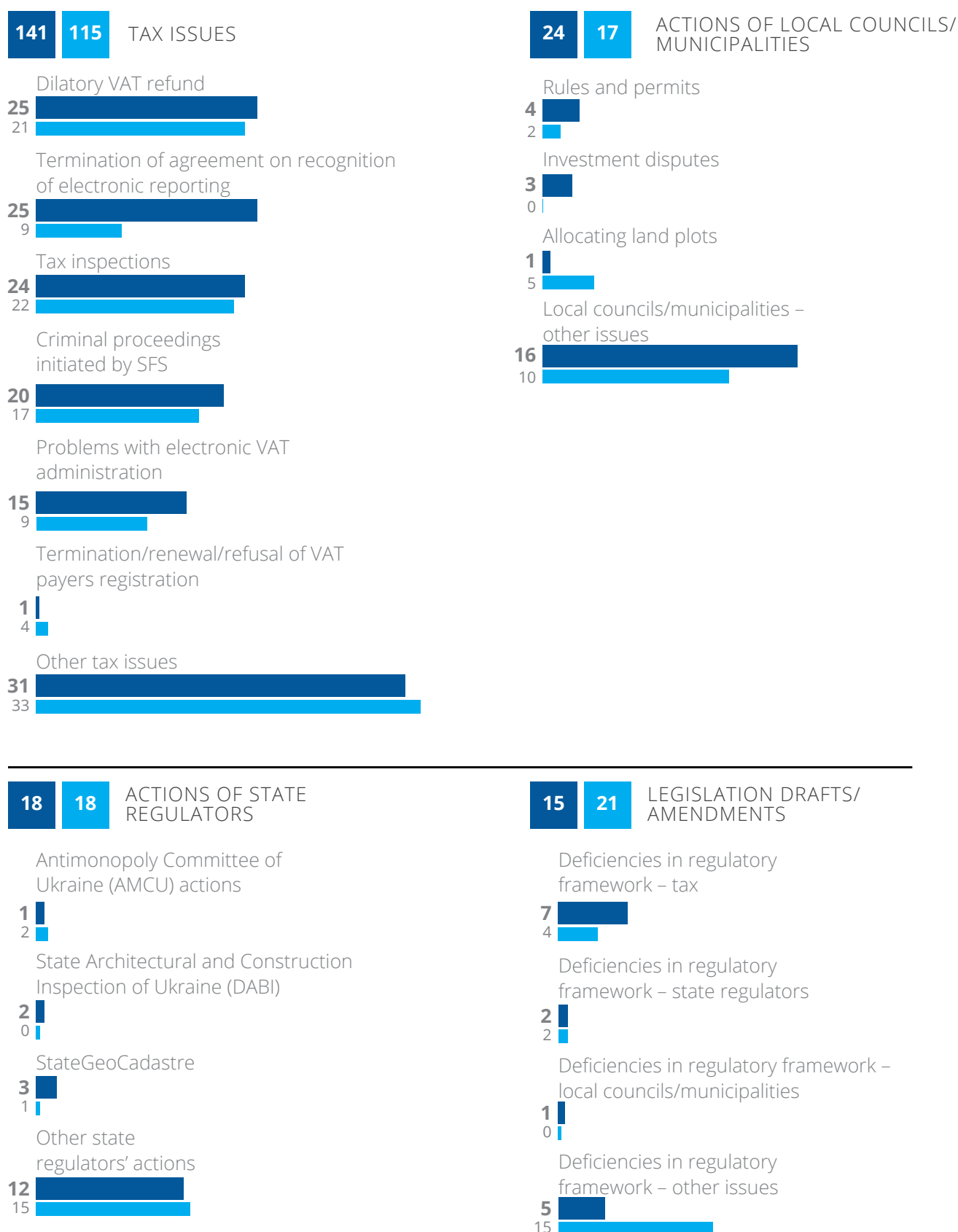
## SUBJECTS OF COMPLAINTS RECEIVED IN QUARTER IV 2016



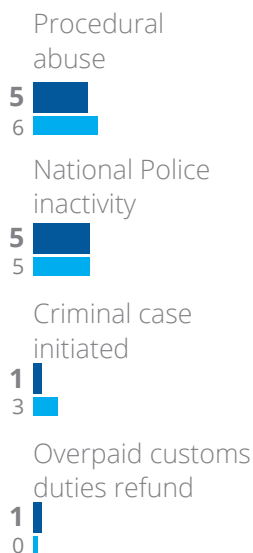
Tax issues remain the most pressing for Ukrainian business (51% of all received queries in reporting quarter) with electronic VAT administration and termination of agreement on recognition of electronic reporting being pivotal problems. Number of received tax-related queries has risen by 23% since previous quarter.

Over the last three months, we observed an impressive rise of complaints regarding actions of local councils and municipalities by 41%.

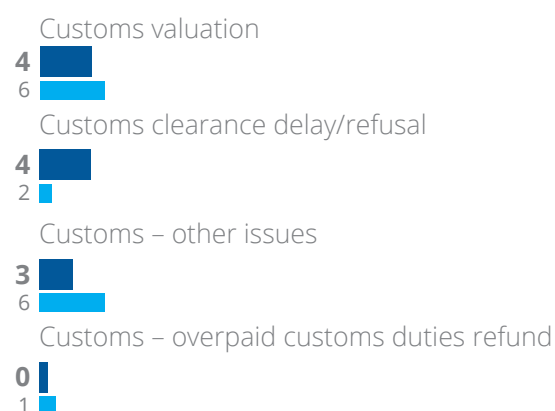
There was a 29% drop in the number of complaints regarding legislation drafts and amendments and 27% drop in queries regarding customs issues in this reporting quarter.



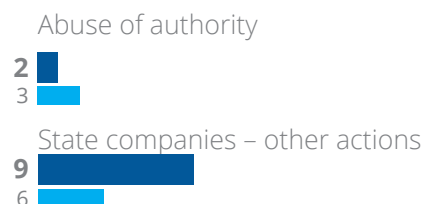
## 12 14 NATIONAL POLICE ACTIONS



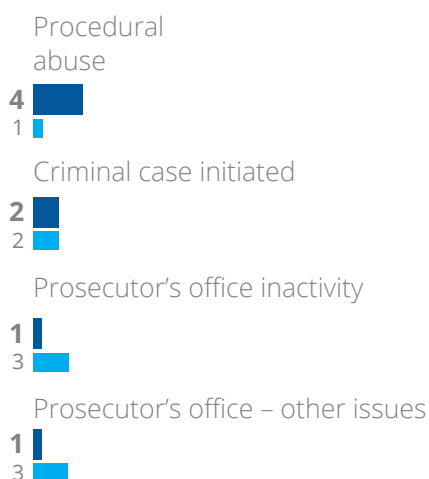
## 11 15 CUSTOMS ISSUES



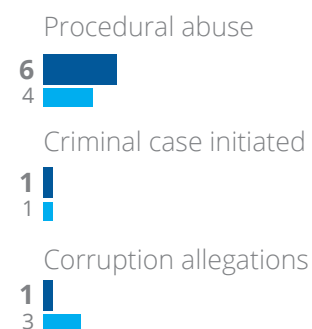
## 11 9 ACTIONS OF STATE COMPANIES



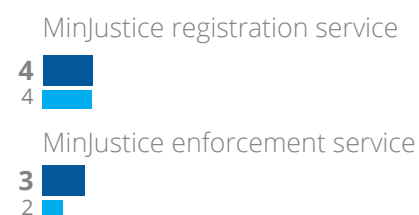
## 8 9 PROSECUTOR'S OFFICE ACTIONS



## 8 8 STATE SECURITY SERVICE ACTIONS

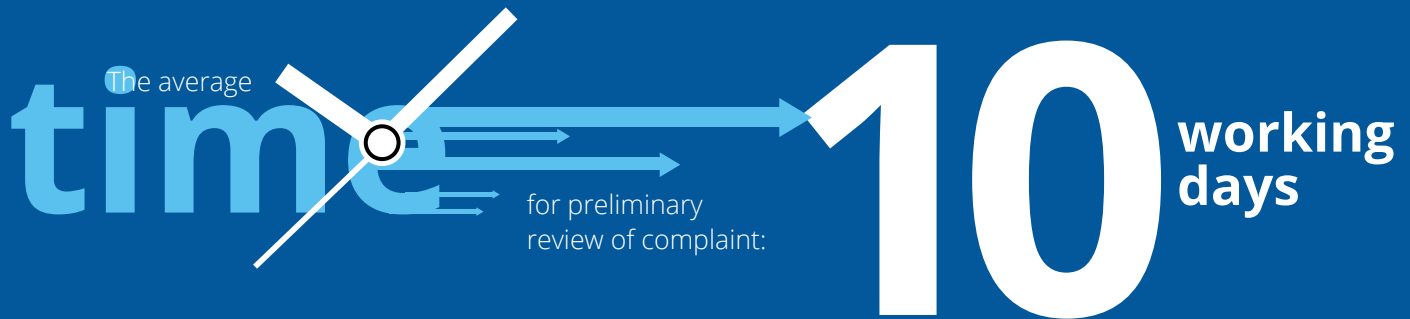


## 7 6 MINISTRY OF JUSTICE ACTIONS



## 1.2. Timeliness of the preliminary review of complaints

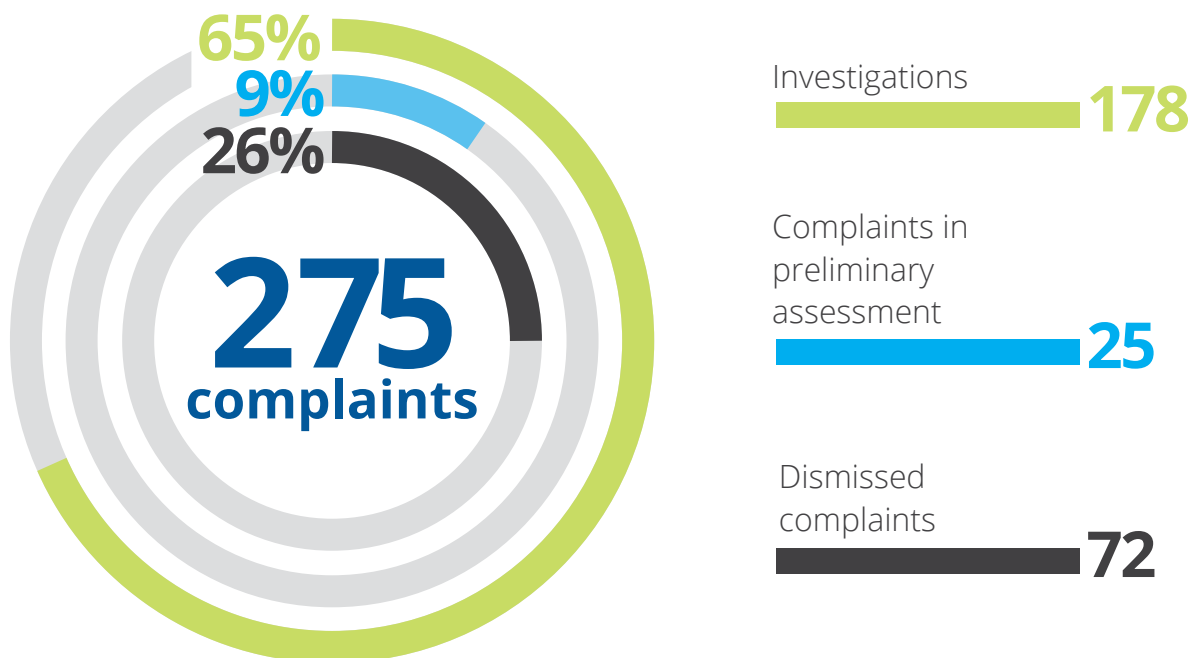
(Clause 5.3.1 (b) of Rules of Procedure)

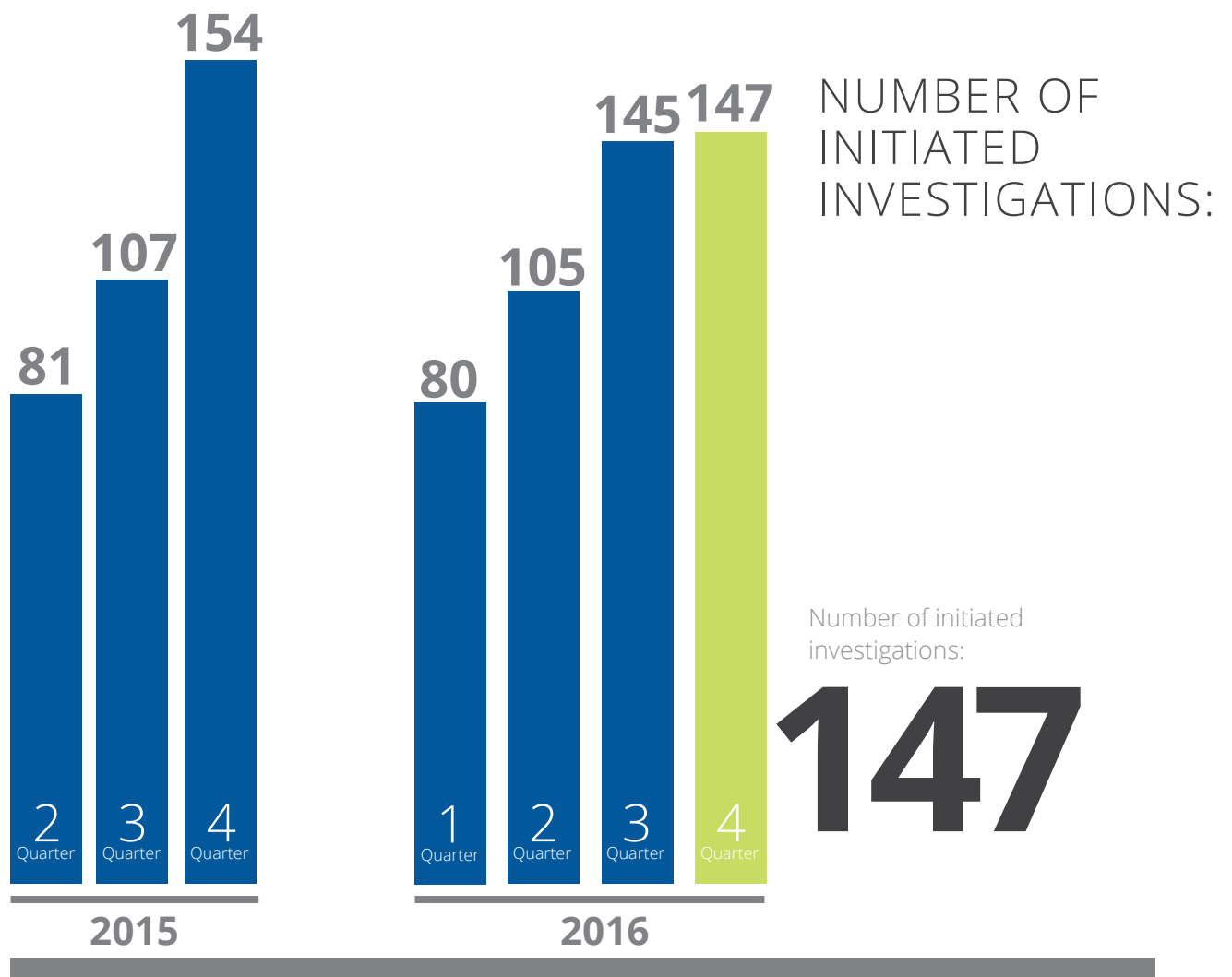


The BOC's team adheres to deadlines for preliminary assessment of inquiries indicated in the Rules of Procedure.

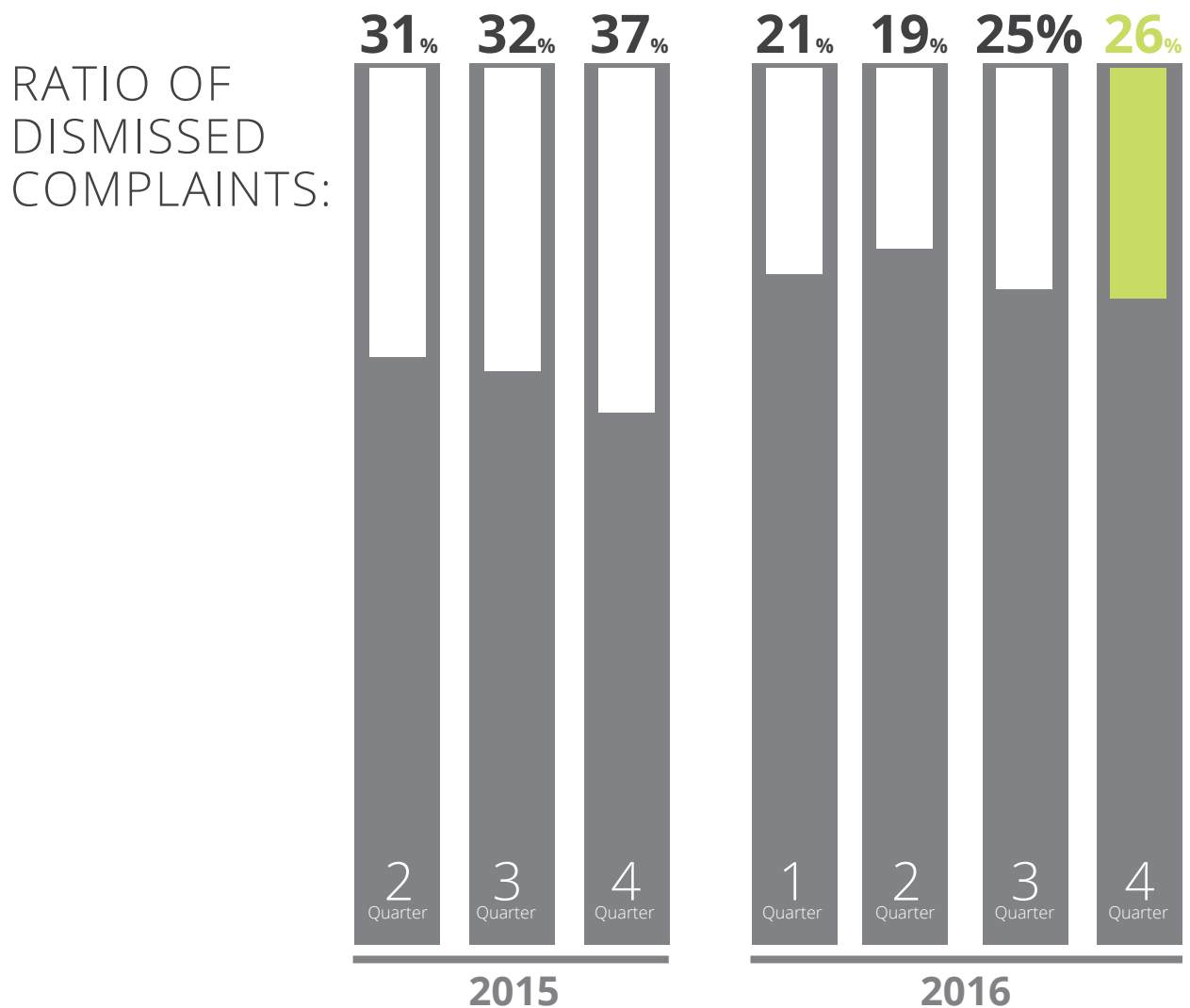
## 1.3. Number of investigations conducted and grounds for declining complaints

(Clause 5.3.1 (c) of Rules of Procedure)





In this reporting quarter, the BOC initiated the second largest number of investigations in the whole history of its operations.

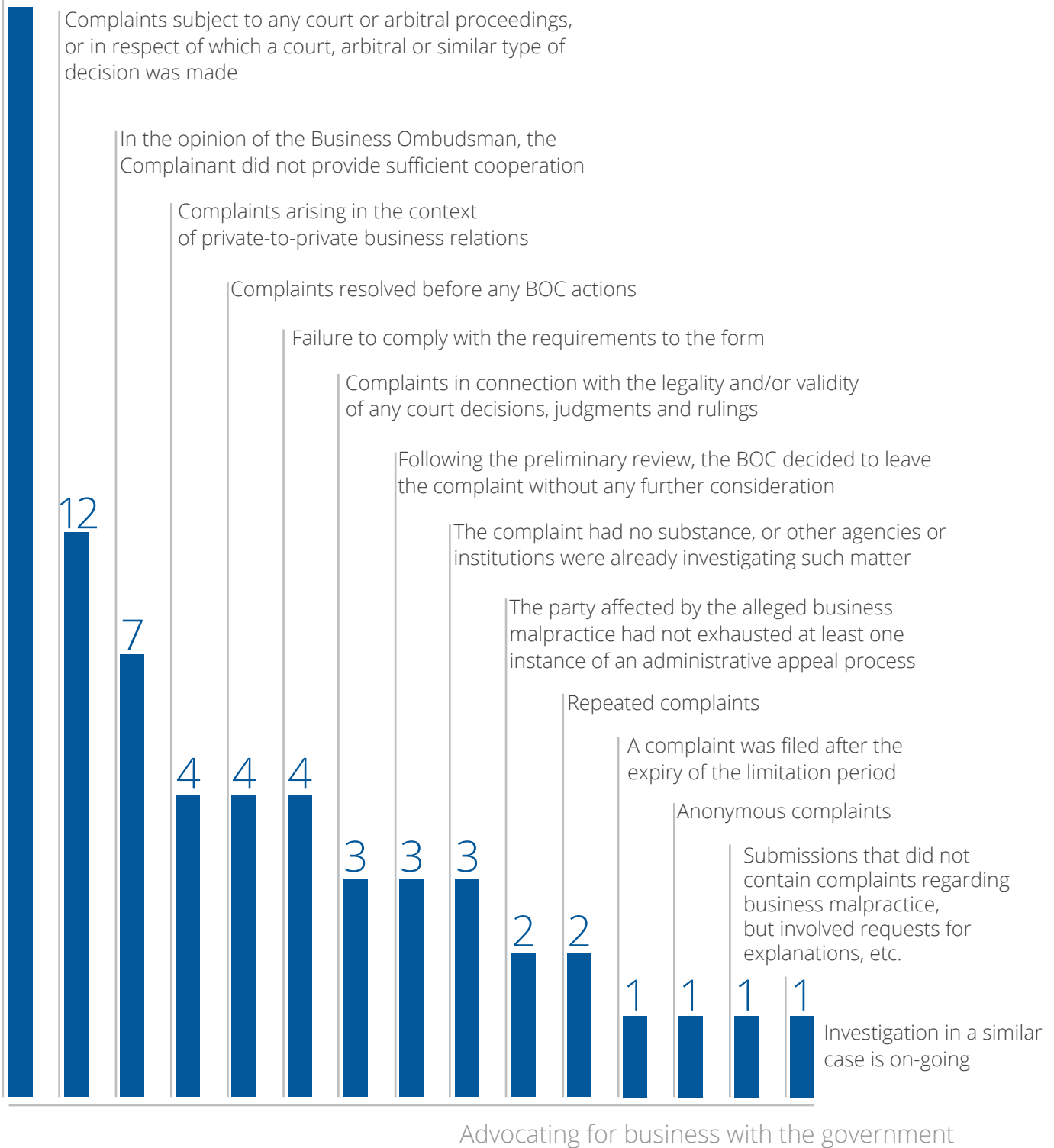


In this quarter, the rise in the ratio of dismissed complaints was mostly caused by complaints outside of the Business Ombudsman's competence. Among new reasons for inquiries' dismissal, which did not prevail in Q3, were complaints resolved before any BOC actions, ongoing investigation of a similar case and anonymous complaints.

## MAIN REASONS FOR COMPLAINTS' DISMISSAL IN QUARTER IV 2016

Complaints outside Business  
Ombudsman's competence

24



## 1.4. Timeliness of conducting investigations

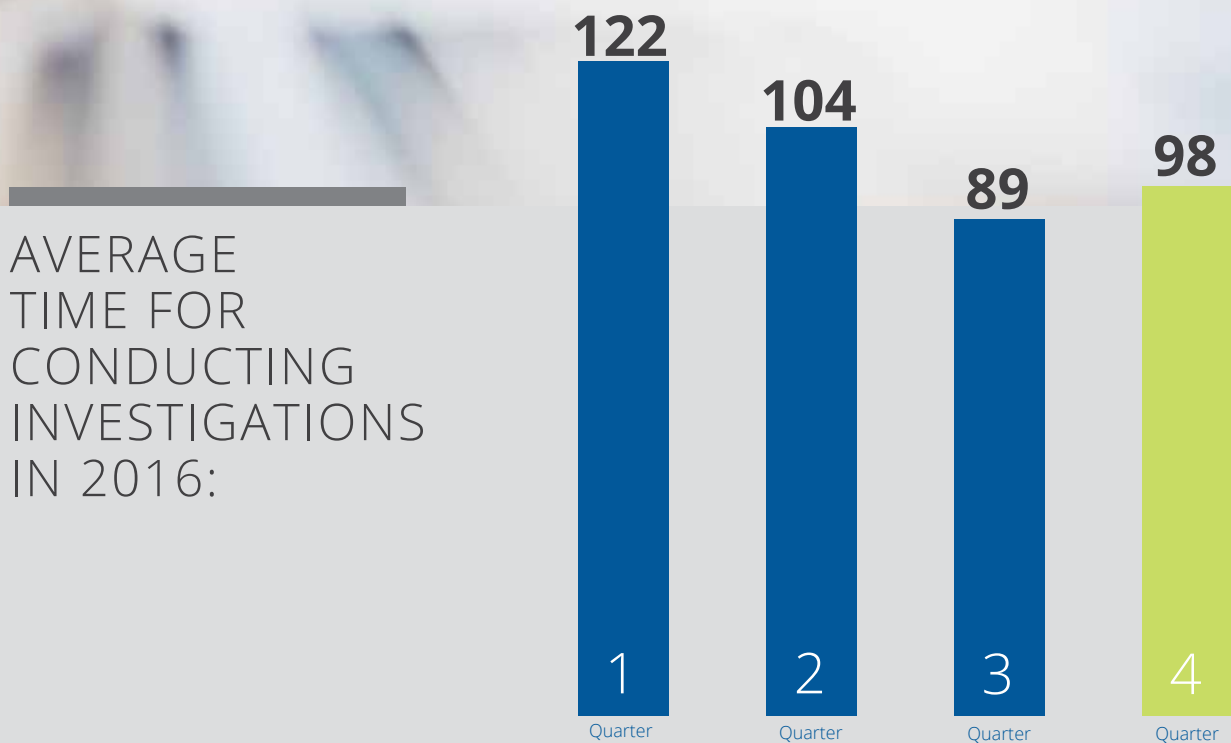
(Clause 5.3.1 (d) of Rules of Procedure)

In the reporting quarter, the BOC closed

**182**  
cases

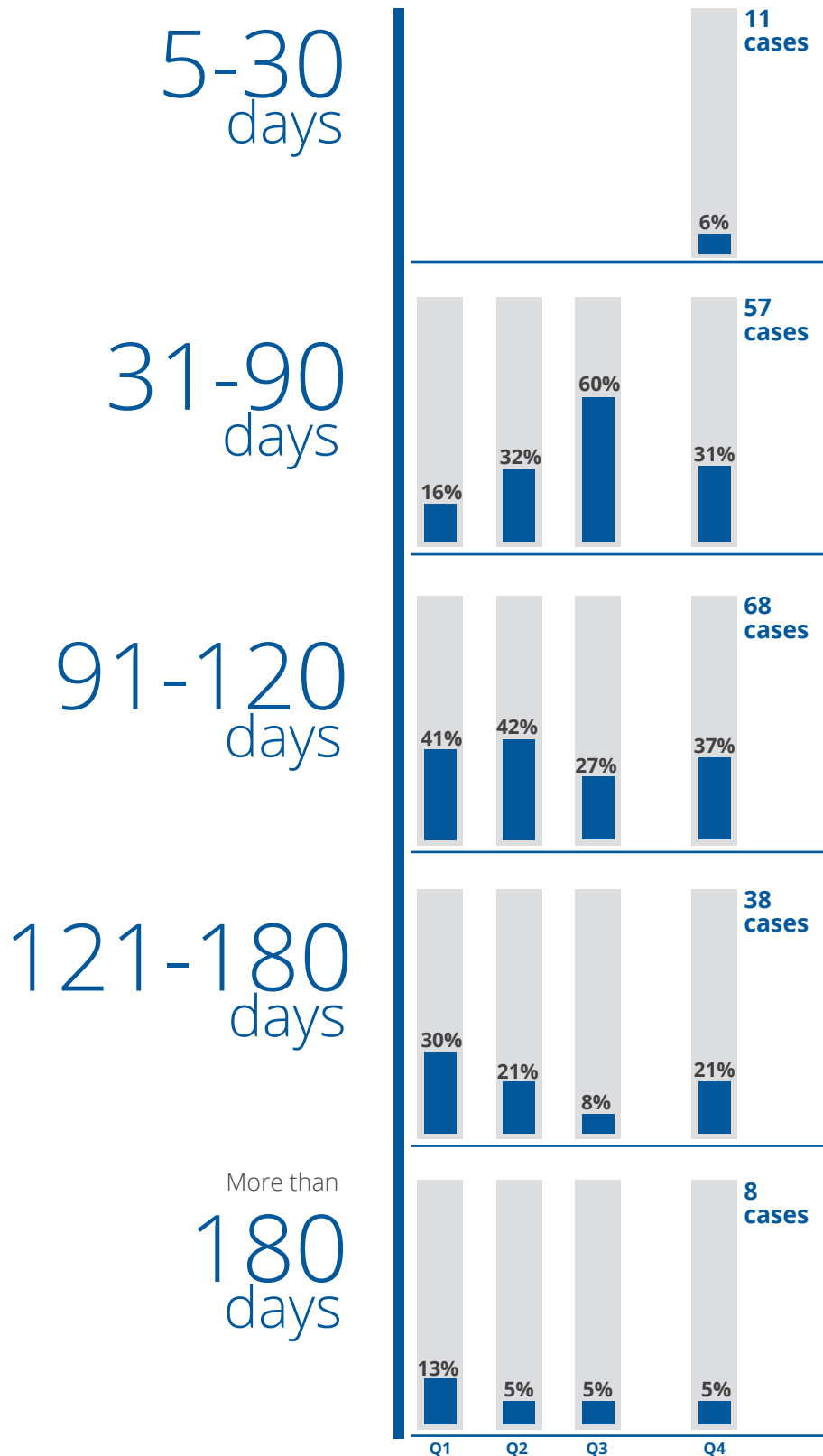
Average time for conducting these 182 investigations:

**98**  
days





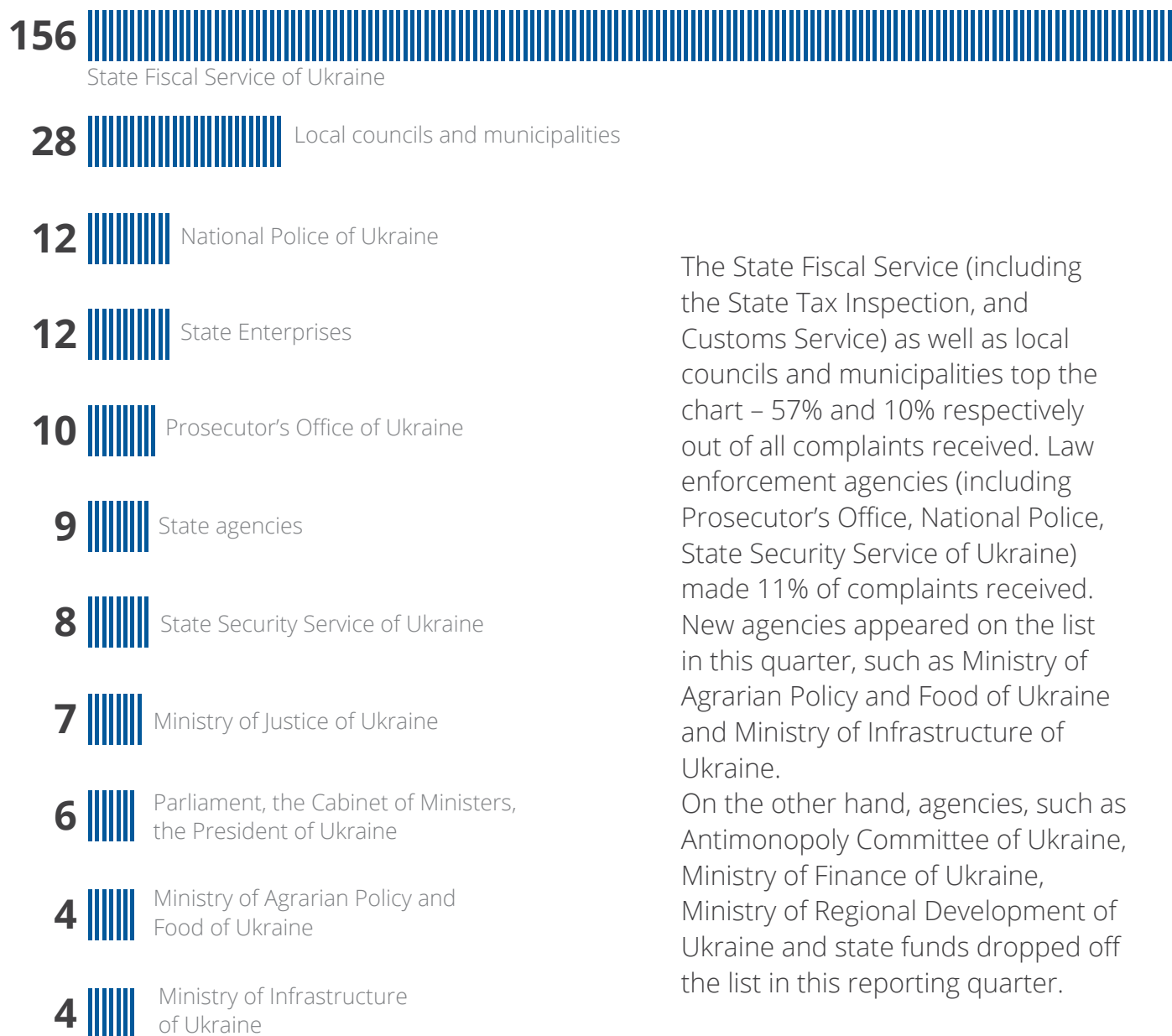
## RATIO OF CLOSED CASES BY DAYS:



In this reporting period, the average timeline of conducting investigations amounted to 98 days. Cases lodged to the BOC in this quarter became more complex, which required analysis of additional documents and a range of meetings to finalize the matter. Yet only 5% of all cases took over 180 days to investigate.

## 1.5. Government agencies subject to the most complaints

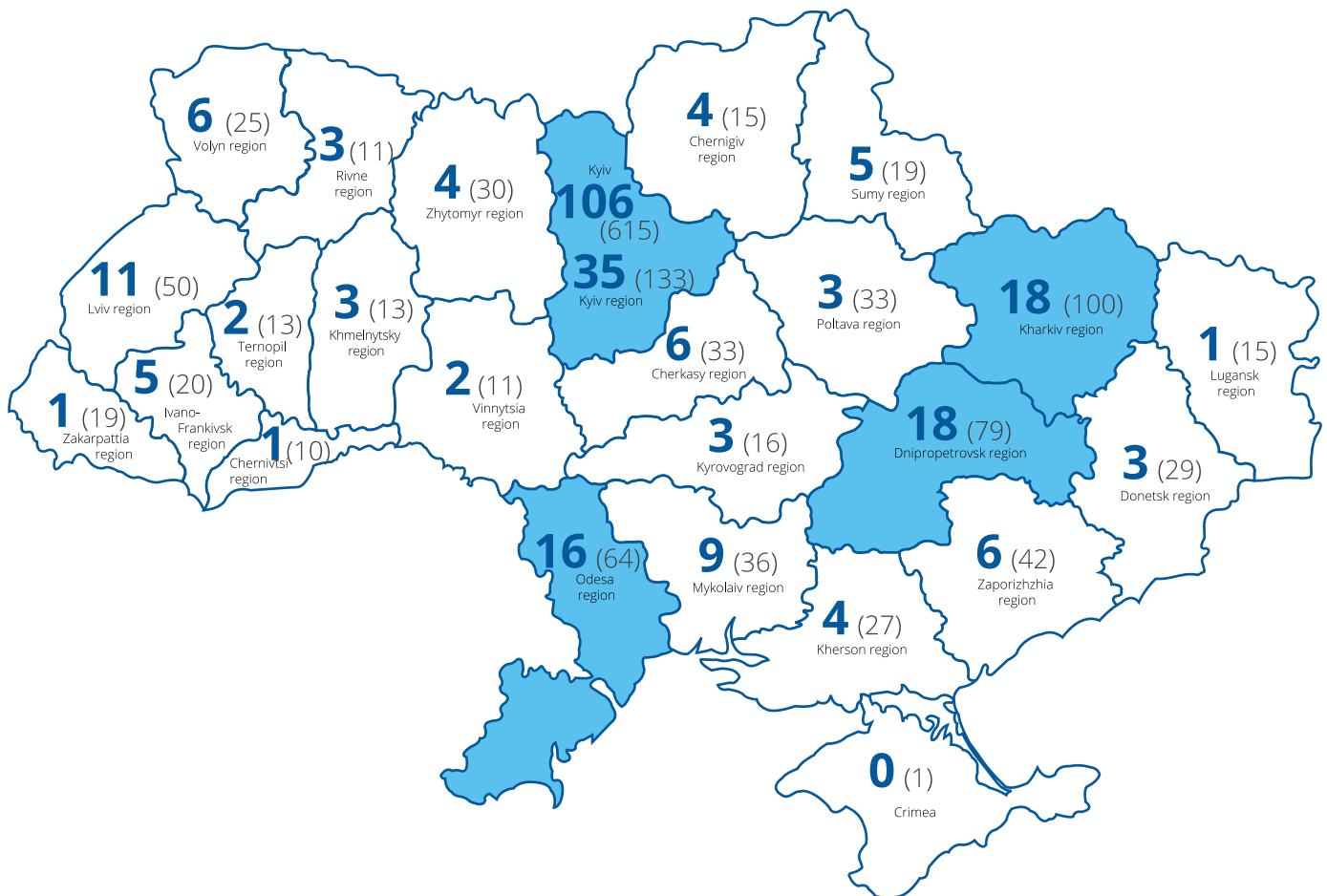
# TOP-11 GOVERNMENT AGENCIES



The State Fiscal Service (including the State Tax Inspection, and Customs Service) as well as local councils and municipalities top the chart – 57% and 10% respectively out of all complaints received. Law enforcement agencies (including Prosecutor's Office, National Police, State Security Service of Ukraine) made 11% of complaints received. New agencies appeared on the list in this quarter, such as Ministry of Agrarian Policy and Food of Ukraine and Ministry of Infrastructure of Ukraine.

On the other hand, agencies, such as Antimonopoly Committee of Ukraine, Ministry of Finance of Ukraine, Ministry of Regional Development of Ukraine and state funds dropped off the list in this reporting quarter.

## 1.6. Geographical distribution of complaints received



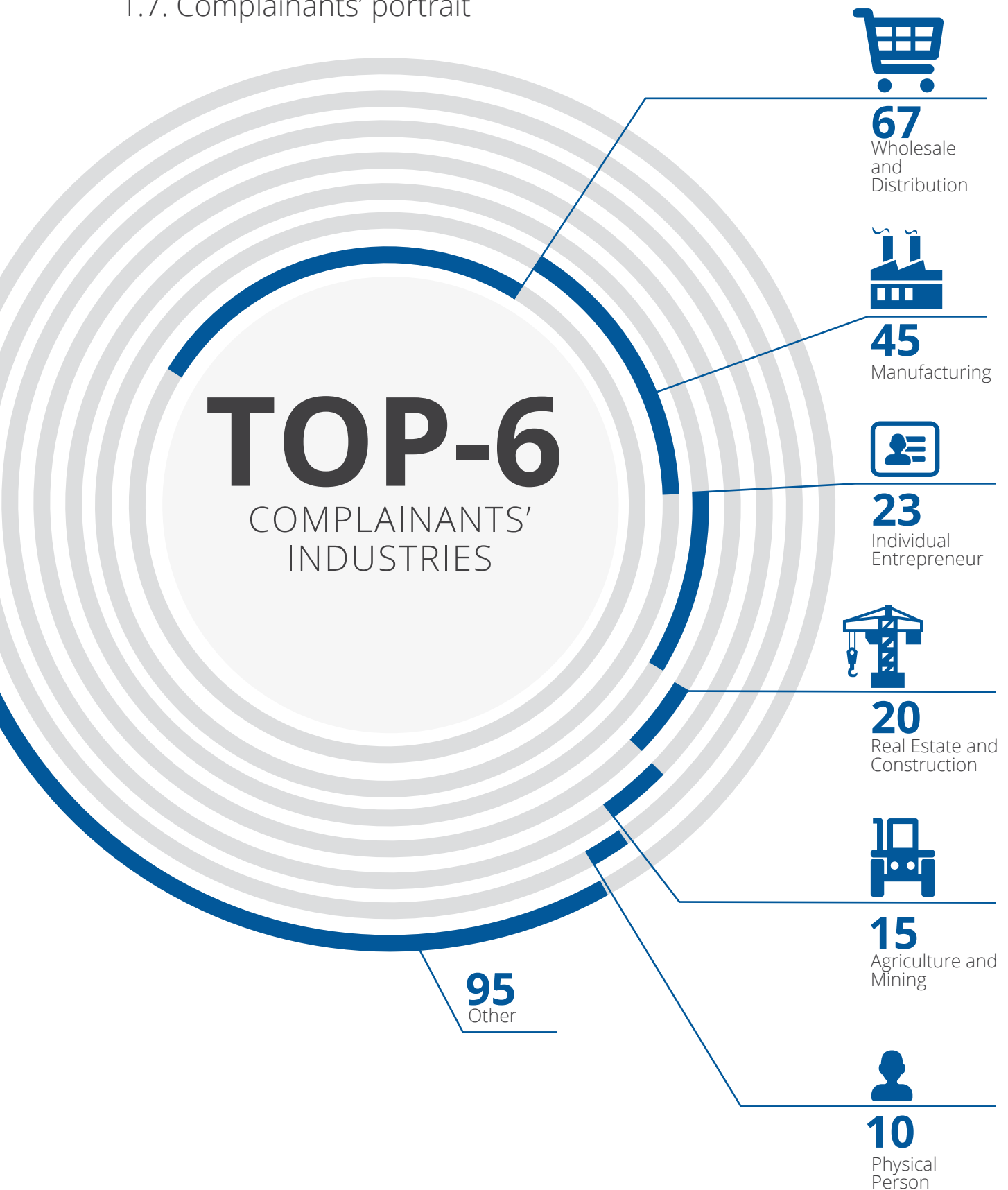
### THE DYNAMICS OF COMPLAINTS REMAINS STABLE:

the majority of complaints keep coming from Kyiv city (106), the Kyiv (35), Dnipro (18), Kharkiv (18), Odesa (16) and Lviv (11) regions.

### THE FEWEST COMPLAINTS CAME FROM

Chernivtsi, Lugansk and Zakarpattia regions (1 complaint each).

## 1.7. Complainants' portrait



## OTHER INDUSTRIES INCLUDE:

Retail	<b>11</b>
Autotransport	<b>8</b>
Public Organizations	<b>7</b>
Warehousing	<b>7</b>
Business Services	<b>5</b>
Energy and Utilities	<b>5</b>
Financial Services	<b>5</b>
Non-state pension provision	<b>5</b>
Farming	<b>4</b>
Health, Pharmaceuticals, and Biotech	<b>4</b>
Telecommunications	<b>4</b>
Computer and Electronics	<b>3</b>
Consumer Services	<b>3</b>
Hire, rental and leasing	<b>3</b>
Air Transport	<b>2</b>
Media and Entertainment	<b>2</b>
Oil and Gas	<b>2</b>
Repair and Maintenance Services	<b>2</b>
Activities in the field of sport	<b>1</b>
Activity in the field of law	<b>1</b>
Advertising	<b>1</b>
Economic and commercial activity	<b>1</b>
Manufacturing and distribution	<b>1</b>
Metallurgical production	<b>1</b>
Processing Industry	<b>1</b>
Software and Internet	<b>1</b>
Technical testing and research	<b>1</b>
Transportation and Storage	<b>1</b>
Travel Recreation and Leisure	<b>1</b>

Complaints were coming predominantly from wholesalers, distributors, manufacturers, real estate, agribusiness as well as individual entrepreneurs. The portrait has barely changed since previous quarter, but for physical persons that entered the list of most active complainants.

## SIZE OF BUSINESSES



Small and medium business remains our main source of complaints although we do not make any preferences based on the size or nature of business that submits their complaints to our office.

## LOCAL VS FOREIGN COMPLAINANTS



The majority of BOC's complainants are local companies. The rest are enterprises with foreign investment.



## 1.8. Feedback



In the reporting quarter we received

**83** feedback forms  
from our complainants.

**Complainants assess our work  
based on several criteria:**

- client care and attention to the matter
- understanding the nature of the complaint
- quality of work product

They also indicate what they are satisfied with most in dealing with us and what areas need improvement.



**95%**

of complainants said they were very satisfied/  
satisfied with working with us.

# FEEDBACK

The professionalism of BOC staff, their can-do attitude, their accessibility and open communication.

Responsiveness and systematic approach.

We liked the courteousness of BOC personnel, their genuine desire to understand the essence of the problem, and the ease of communication.

For me, it was very important that the BOC understood the essence of the problem and was able to properly present the case to government agencies. The most key, for me, was that the BOC didn't take formal letters for an answer, such as from the Kyiv Prosecutor's Office on the progress of investigations in which I was the victim. This suggests a fair and impartial consideration of my case, for which I thank you very much.

A modern approach to addressing issues, prompt, fast, simple and client-oriented.



## WHAT YOU LIKED MOST ABOUT WORKING WITH THE BOC TEAM

“ We would like to note the highly organized complaint investigation process followed by BOC employees, and their objective, professional approach to analyzing non-standard situations.

“ We were honored to work with the Business Ombudsman Council and would like to thank you for the attention to details, constructive case assessment, and the Council’s transparent and open position.

“ I was impressed by how effectively the team worked, their deep understanding of the essence of the problem, their quick response to changes in the circumstances of the case, their genuine desire to help a complainant, and the overall professionalism of the Ombudsman’s team.

“ What I most liked was the qualified specialists. The comfortable form of communication and electronic document flow. The focus on a positive outcome, not on the appearance of work. Transparent relations and actions. The way they maintained constant contact, planned and coordinated joint actions with the complainant, and reported on the status and results of their work

## WHAT YOU SUGGEST TO IMPROVE

It is desirable that the BOC has more power according to the legislation.

We believe it is necessary to increase the BOC’s team to review a bigger number of complaints.

It would be great if the BOC had a rep office in the regions.

# SUMMARY OF KEY MATTERS

## AND FOLLOW-UP OF RECOMMENDATIONS

### 2.1. Systemic issues identified

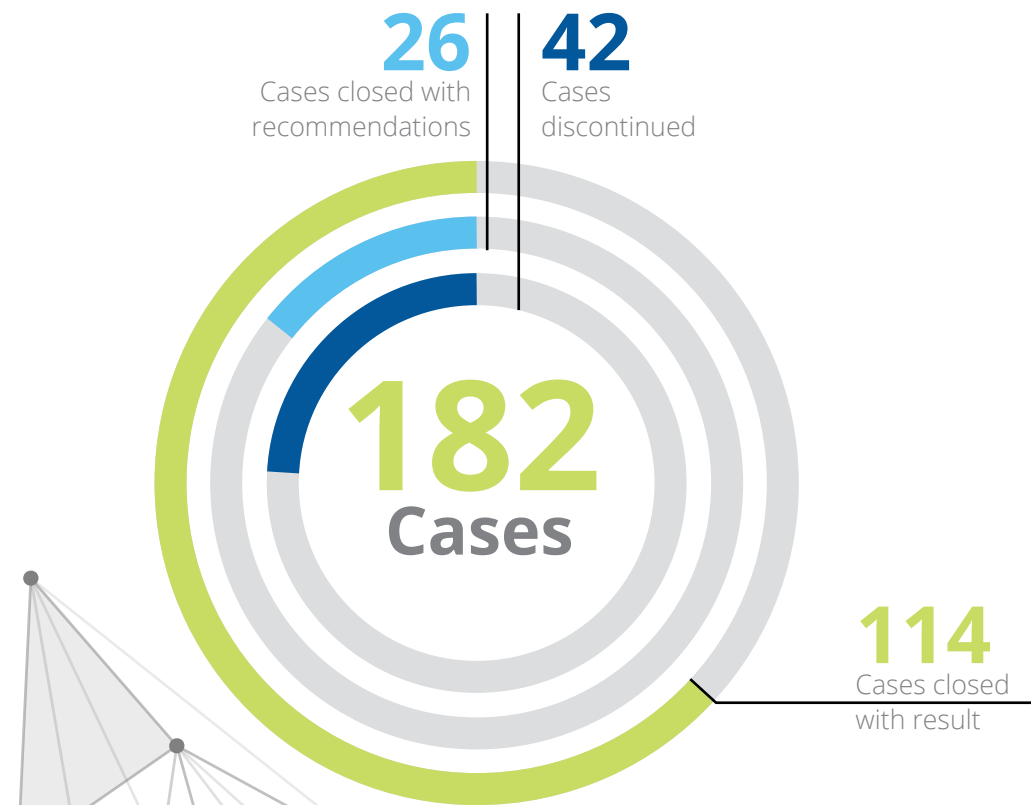
Interactions between business entities and fiscal agencies remain the most troublesome area. The only shift is an increasing number of inquiries regarding electronic VAT administration and termination of agreement on recognition of electronic reporting. Yet the State Fiscal Service showed significant progress in implementing our recommendations reaching 91% performance rate, which is an 11 percentage points rise since previous quarter.

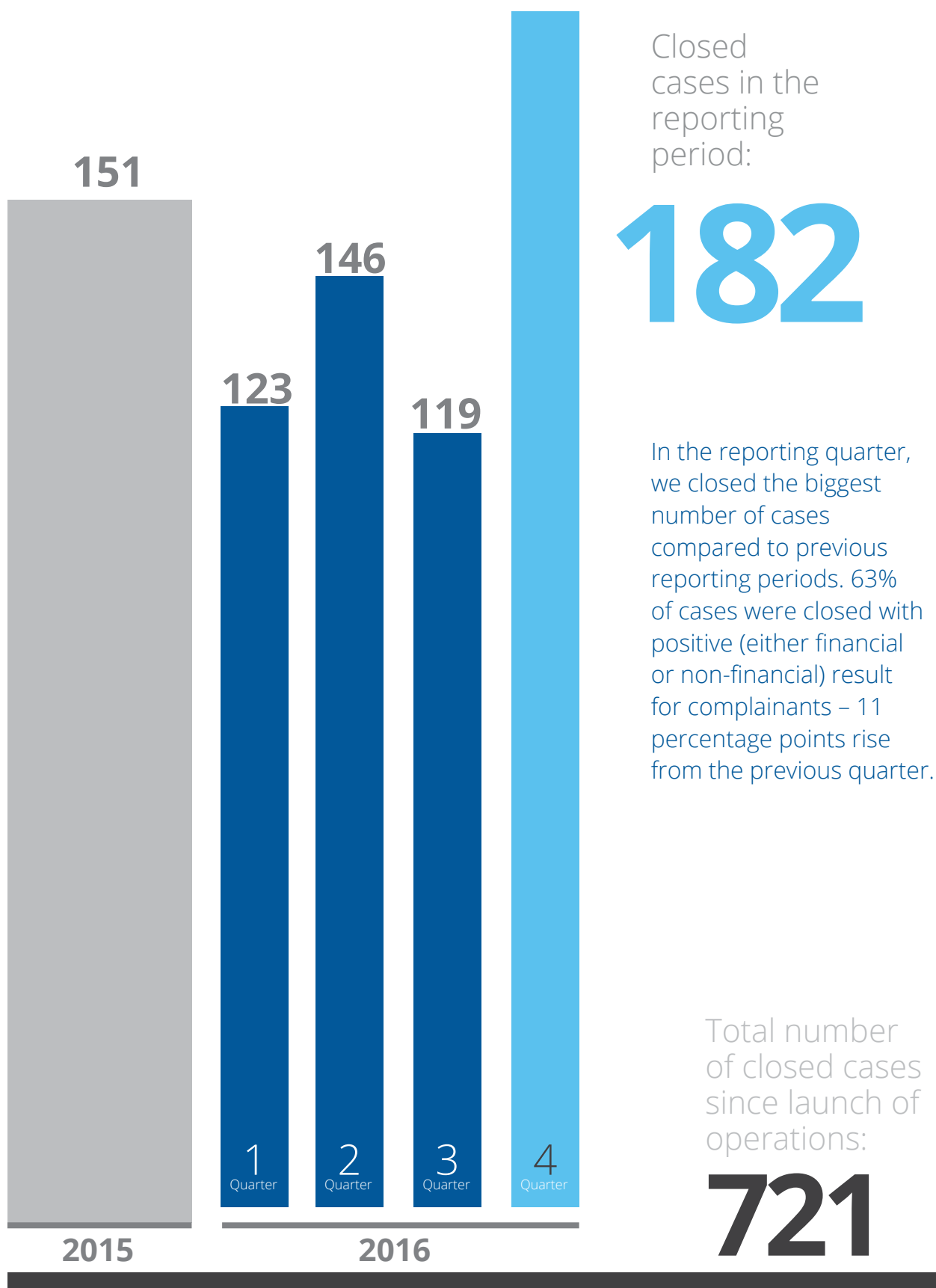
The challenges the businesses face with local government agencies also remain largely unresolved. Over the last three months, we observed the rise of complaints regarding actions of local councils and municipalities by 41%. The range of questionable decisions made by these agencies include issues revolving around rules and permits, investment disputes, etc.

It is notable that there was a 29% drop in the number of complaints regarding legislation drafts and amendments and 27% drop in customs issues in this reporting quarter.

The efficiency of the BOC's dialogue with government agencies reached its all-time high by the end of this reporting quarter with government agencies implementing 87% of all recommendations issued by the BOC (compared to 70% by the end of Q2 2016 and 75% Q3 2016). This means that the institution has become the voice Ukrainian business did not have before in fighting corruption.

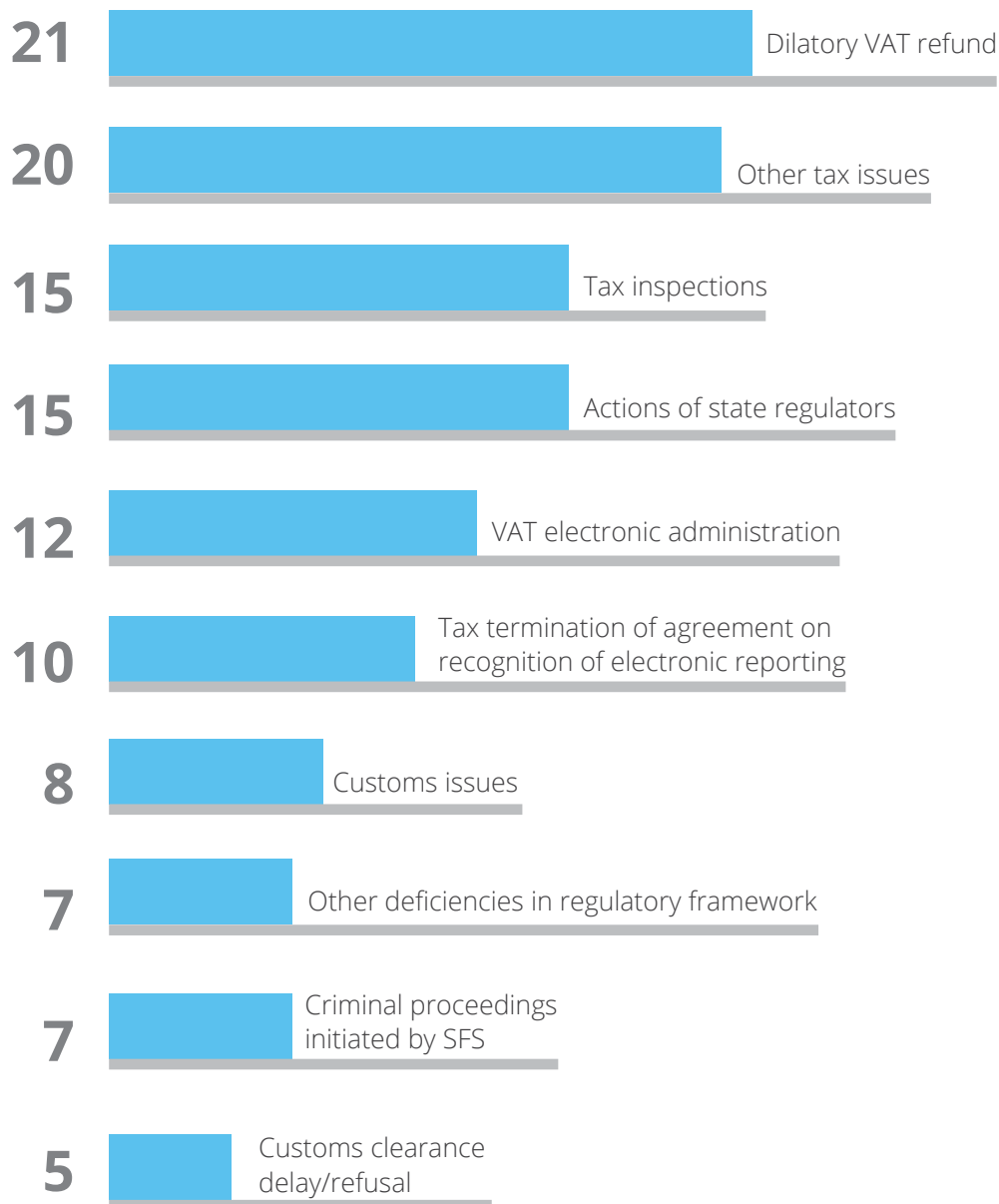
## 2.2. Information on closed cases and recommendations provided





# TOP-10

## SUBJECT OF CLOSED CASES IN QUARTER IV 2016:



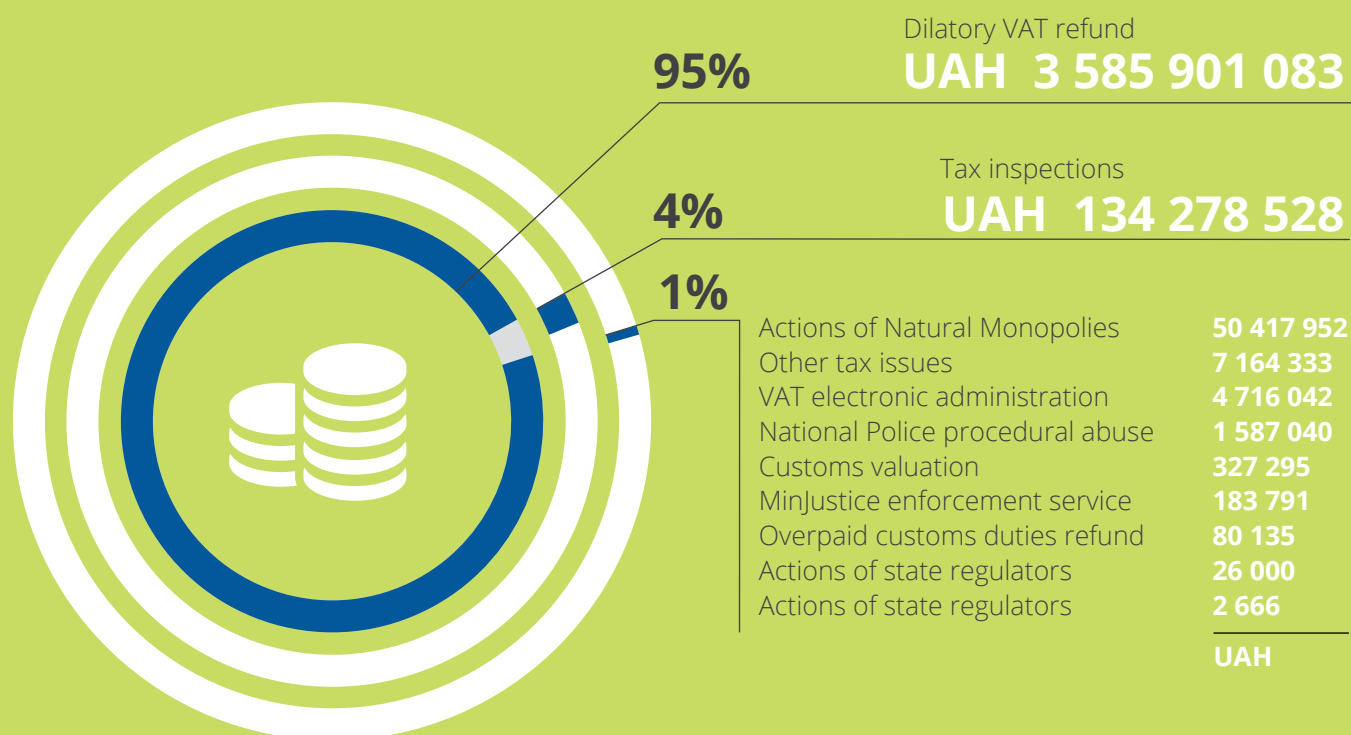
FINANCIAL IMPACT  
IN QUARTER IV 2016:

**3 784 684 865**

UAH

**2x**

THE BOC DOUBLED (!) ITS  
FINANCIAL IMPACT IN THE SOLE  
REPORTING QUARTER.



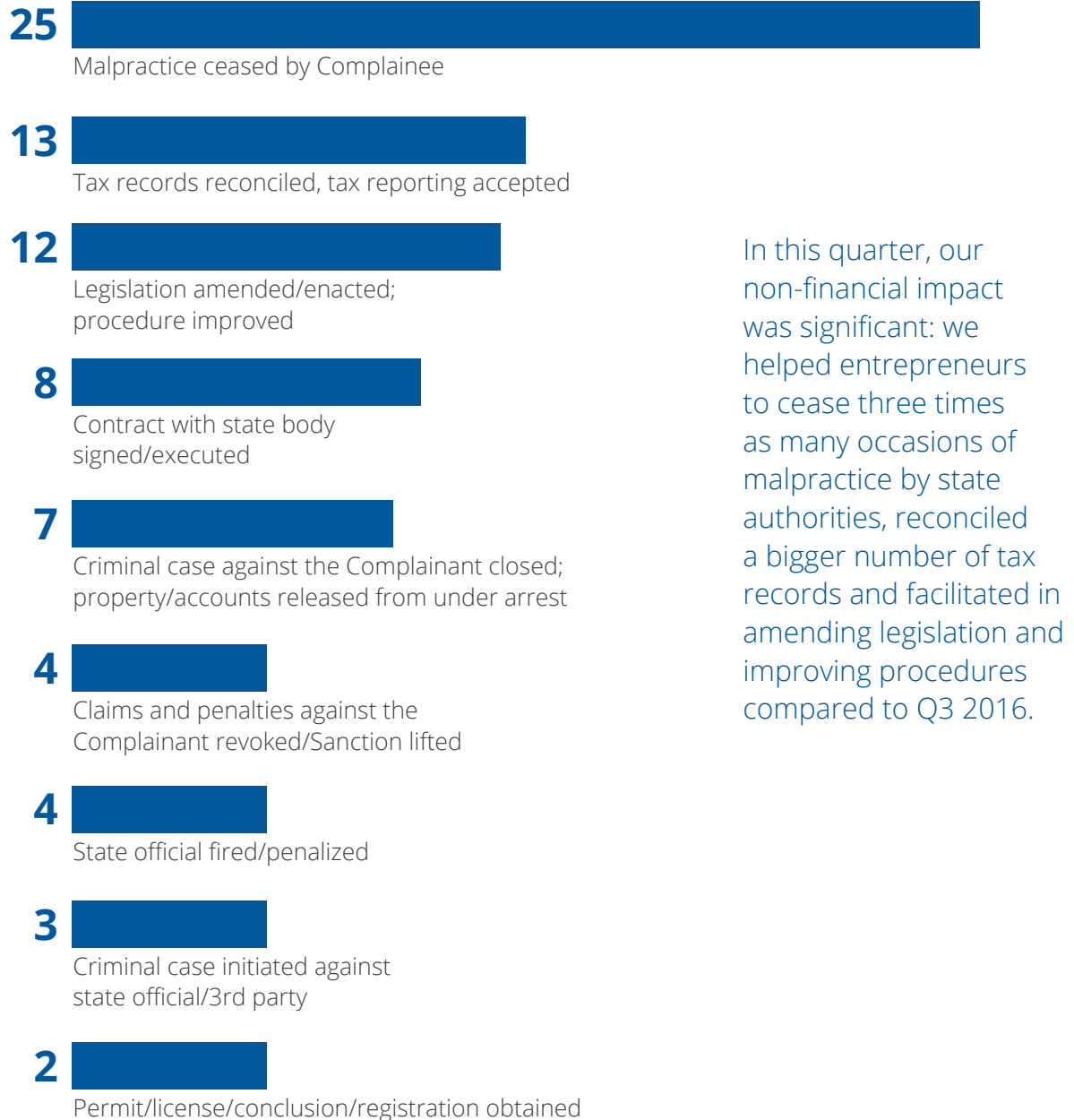
DIRECT FINANCIAL IMPACT  
OF BOC'S OPERATIONS  
20 MAY 2015 – 31 DECEMBER 2016:

**8 704 097 754**

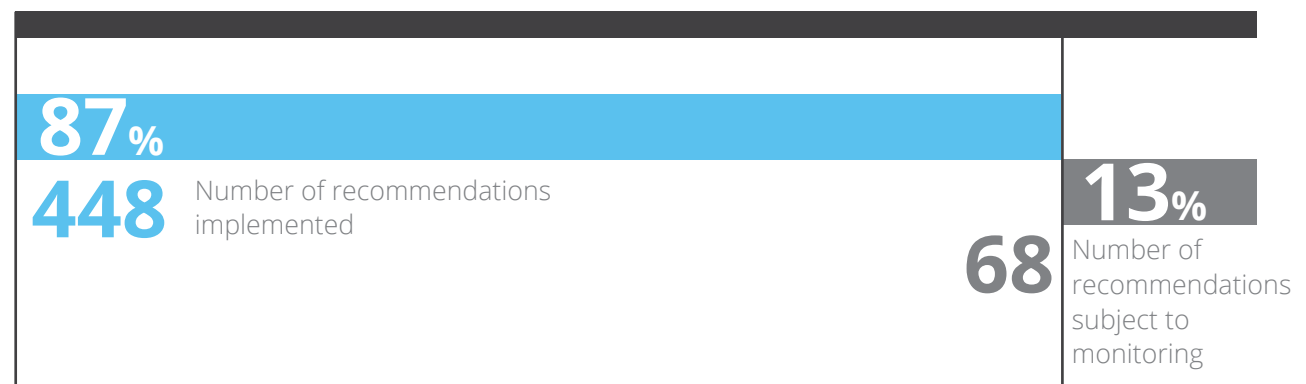
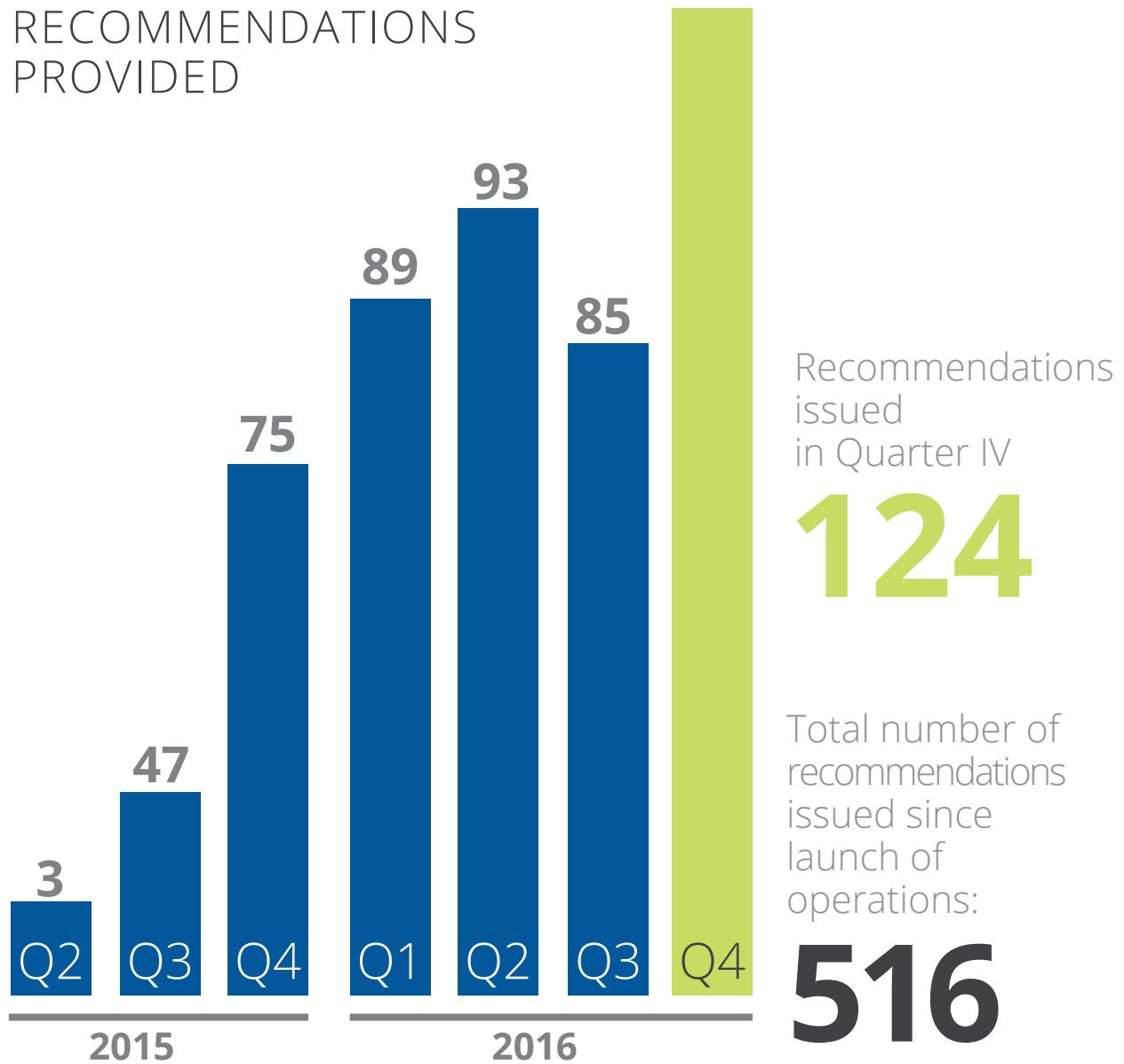
UAH



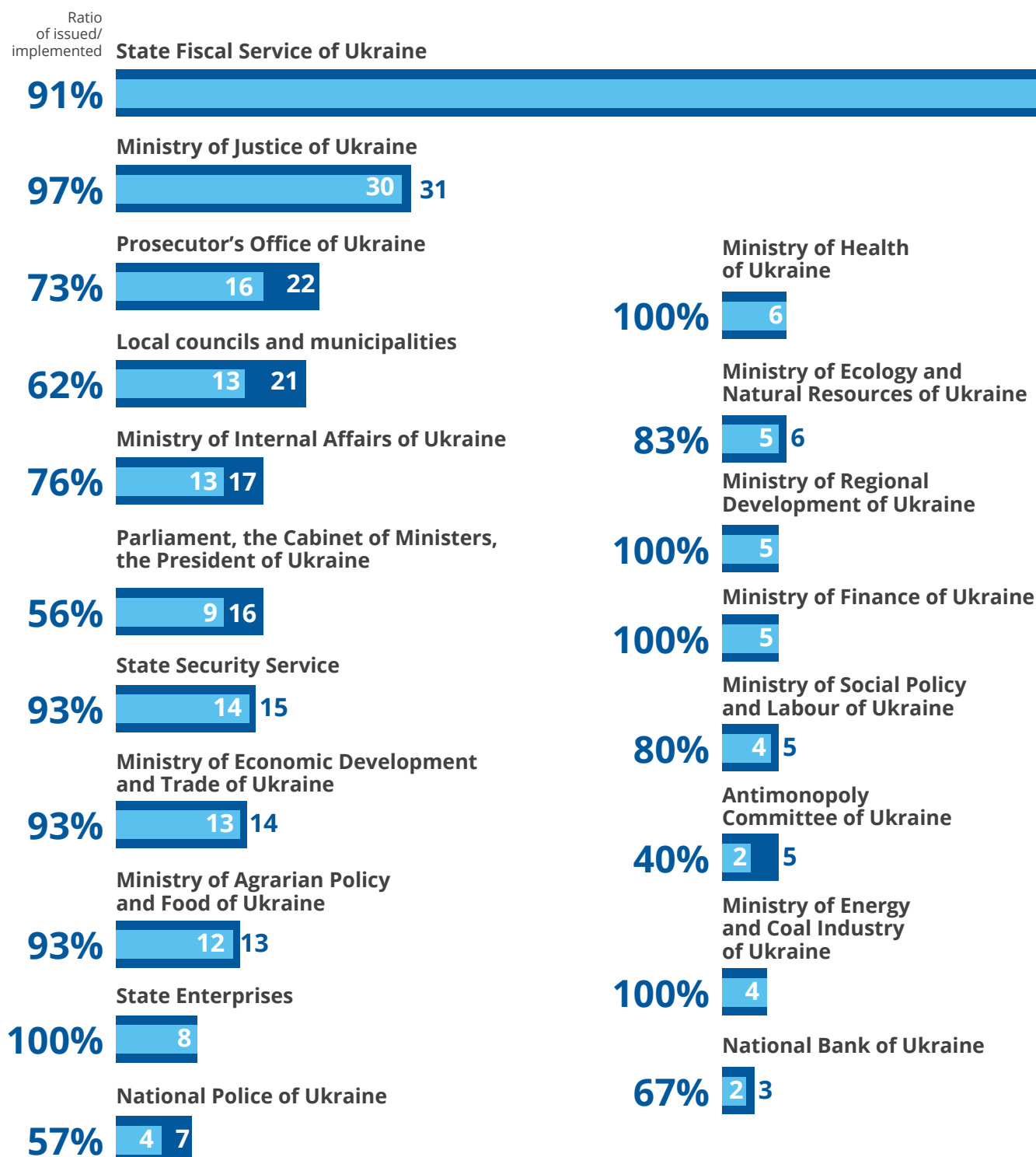
## NON-FINANCIAL IMPACT OF BOC'S OPERATIONS IN QUARTER IV 2016:





RECOMMENDATIONS  
PROVIDED

## GOVERNMENT AGENCIES WHOM THE BOC ISSUED RECOMMENDATIONS IN 2015-2016 AND RATIO OF IMPLEMENTATION



## Summary of key matters and follow-up of recommendations

Recommendations  
implemented

Recommendations  
issued

269

295

### National Commission for State Regulation of Energy and Public Utilities

67% 24

### State Funds

0% 2

### Ministry of Infrastructure of Ukraine

100% 1

### National Council of Ukraine on Television and Radio Broadcasting

100% 1

### State Emergency Service of Ukraine

100% 1

### NABU

100% 1

### State Service of Ukraine on Food Safety and Consumer Protection

100% 1

It should be noted that the BOC's dialogue with government agencies reached its all-time high by the end of this reporting quarter with government agencies implementing 87% of all recommendations issued by the BOC since launch of operations (compared to 70% by the end of Q2 2016 and 75% by the end of Q3 2016). This means that the institution has become the voice Ukrainian business did not have before in fighting corruption.

We would like to note efficient cooperation with SFS that has improved implementation of recommendations to 91%, which is an 11 percentage points rise since previous quarter, and MinJustice, which improved its performance by 12 percentage points since previous quarter reaching 97% performance rate. Other institutions whom the BOC issued most recommendations, such as Ministry of Economic Development and Trade of Ukraine, State Security Service, Ministry of Agrarian Policy and Food of Ukraine and state enterprises also showed significant progress demonstrating over 90% of recommendations performance.

However, local councils and municipalities, top state bodies (Parliament, the Cabinet of Ministers, the President of Ukraine), National Police of Ukraine remain the laggard.

## 2.3. Summary of important investigations

In this chapter, you may read the illustrations of recommendations the BOC issued to various government agencies and the results of their implementation.

### #1

**Seed company has UAH 6mn fine reduced to UAH 3.5mn**

**Subject of complaint:**

Main Department of the State Fiscal Service of Ukraine in Kyiv (MD of SFS in Kyiv)

#### Complaint in brief:

On July 21, 2016, the Complainant, an Austrian agribusiness engaged in the retail trade of seeds in Ukraine, lodged a complaint with the BOC regarding the outcome of a tax audit carried out by the MD of SFS in Kyiv. The resulting tax notification of decision slapped a fine of UAH 6 million on the company. The SFS decided to fine the company for allegedly insufficiently detailed accounting reports from the farmers with whom the Complainant cooperates.

#### Action taken:

On August 9, the BOC investigator participated in an administrative hearing of the case at the SFS. The investigator supported the Complainant's argument that there was no evidence that the reports lacked sufficient detail and presented sample documents and reports in support of its position.

#### Result achieved:

As a result of the BOC investigator's personal intervention at the SFS's administrative hearing, the fine against the Complainant was reduced by UAH 2.5mn.

### #2

**Procedure of the registration of vehicles improved**

**Subject of complaint:**

Ministry of Internal Affairs of Ukraine (MIA)

#### Complaint in brief:

On July 7, 2015, the Complainant, Porsche Finance Ukraine, which engages in financial and operational leasing and car loan services, lodged a complaint with the BOC regarding 16 cases of misappropriation of mortgaged/leased vehicles by third parties using false documents registered with State Automobile Inspection (SAI) offices.

Complainant has kindly agreed to disclose his/her name for communication purposes

# #3

**PE “PAKINVEST GRUP”\* gets back the overpaid customs clearance value**

**Subject of complaint:**  
Kyiv City Customs under the State Fiscal Service

## Action taken:

After a detailed examination of the complaint, the BOC discussed it with the Ukrainian Union of Leasing Providers and came to the conclusion that there was a criminal scam widely used across the country to misappropriate cars. The Council also concluded that the only effective way to prevent this type of crime was to amend legislation regulating the procedure for state registration of vehicles.

In search of a resolution, the BOC turned to the Interior Ministry on October 8, 2015, with a recommendation to amend Bill #2567 “On MIA services and service centers,” which had been adopted by the Verkhovna Rada on July 14 in the first reading, to require SAI inspectors to check for existing encumbrances on vehicles with the State Registry of Encumbrances on Movable Property, prior to carrying out a registration. The BOC also insisted that similar amendments be made to Cabinet Resolution #1388 “On the procedure for state registration and delisting of cars, buses and self-propelled vehicles” dated September 7, 1998. Throughout the following year, the Council consistently and insistently coordinated these changes.

## Result achieved:

Thanks to BOC efforts on this issue, on October 5, 2016, PM Volodymyr Groysman approved the amendment of Cabinet Resolution #1388, which improved the procedure for state registration of vehicles. These amendments will prevent malpractice of third parties. The Case was successfully closed.

## Complaint in brief:

On July 8, 2016, the Complainant, company PE “PAKINVEST GRUP”, specialized in mediation in trade of various goods, registered in Kyiv Oblast, lodged complaint with the BOC regarding return of overpaid customs clearance amount of UAH 224 000,00. Previously, the Complainant had successfully challenged with the Higher Administrative Court of Ukraine customs re-evaluation of its goods, conducted by the Kyiv City Customs. However, obtained court ruling has not been honoured by the Kyiv City Customs.

Complainant has kindly agreed to disclose his/her name for communication purposes

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### Action taken:

The BOC addressed the Chief of Kyiv City Customs with a recommendation to execute the court's decision, and also included the complaint into the Agenda for the meeting with a Prime Minister. Complaint was included in the Minutes of the Meeting and followed up by State Fiscal Service of Ukraine.

### Result achieved:

Later Kyiv City Customs informed BOC that the customs declaration of Complainant had been amended according to the court's decision. Conclusions related to the return of the overpaid amount of adjusted customs clearance Kyiv City Customs had headed to the respective State Treasury. On October 6, 2016, the BOC was informed by the Complainant on receipt of the overpaid customs clearance amount. The case was closed successfully.

## #4

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### **Freight cars held up at customs are returned to Czech wood-exporter**

**Subject of complaint:**  
Zakarpattia Customs, State Fiscal Service of Ukraine (SFS)

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### Complaint in brief:

The Complainant, a Czech company specialized in exporting fuel wood from Ukraine to the European Union, addressed the BOC for help in returning 28 railway cars to its contractor. The freight cars were loaded with fuel wood purchased by the Complainant under specific contracts and had been delayed by Zakarpattia Customs. However, only the fuel wood was subject to seizure, not on the cars.

### Action taken:

To resolve the issue, the BOC investigator recommended that the Main Department of the National Police of Zakarpattia Oblast and to the Zakarpattia Customs consider the option of unloading the cars and returning them to the legal owner. On September 15, the Complainant submitted such a motion to the Court of Appeals in Zakarpattia Oblast, which revoked the seizure of the fuel wood.

### Result achieved:

On October 7, the Complainant informed the Council that the 28 cars had been unloaded and returned to the contractor. The case was successfully closed.

## #5

### **Wind park developer gets permit for land development documentation**

#### **Subject of complaint:**

Main Department of State Geodesy, Cartography and Cadaster Service of Ukraine (GeoCadaster) in Zaporizhzhia Oblast

### **Complaint in brief:**

The Complainant, a company specialized in developing and building wind parks, asked the BOC to help challenge numerous groundless refusals by GeoCadaster in Zaporizhzhia Oblast to grant approval to draw up development plans for the allocation of a land parcel into lease. The series of refusals took place between December 2015 and June 2016.

### **Action taken:**

The BOC investigator sent a request to settle the issue of land development plans to GeoCadaster in Zaporizhzhia Oblast. Not being satisfied with the answer, the BOC investigator addressed GeoCadaster's Head Office in Kyiv and the responsible Vice Premier, with a request to ensure an objective review of the Complainant's application. The Business Ombudsman also personally raised the issue during a meeting with the Governor of Zaporizhzhia in the course of a visit to the oblast on October 3, 2016.

### **Result achieved:**

On October 10, the Council was informed by the Complainant that it had been issued a permit to draw up land development plans. The case was closed.

## #6

### **Large Taxpayers' Office refunds UAH 36.4 mn to producer of packaging materials**

#### **Subject of complaint:**

Interregional Main Department of State Fiscal Service of Ukraine (IMD of SFS) - Large Taxpayers' Office

### **Complaint in brief:**

On June 30, 2016, Complainant, one of the biggest in Western Europe producers of flexible packaging materials for food, cosmetics and pharmaceutical industries, lodged complaint to the BOC regarding VAT non-refund for February-March 2016 in the amount of UAH 36.4 mn by the Large Taxpayers' Office.

## #7

### **Pechersk tax office stops demanding that Nielsen Global\* sign additional e-doc agreement**

#### **Subject of complaint:**

State Tax Inspection in Pechersk District of Kyiv (Pechersk STI) of State Fiscal Service of Ukraine (SFS)

### Action taken:

The BOC investigator addressed the matter to officials of the Large taxpayers' office. In order to reimburse the VAT, the Council submitted the case for further consideration of the respective joint working group of the Council and the SFS.

### Result achieved:

On October 19, the Complainant informed the Council that the VAT for February-March 2016 had been fully refunded. The case was successfully resolved.

### Complaint in brief:

On June 22, 2016, the Complainant, TOV Nielsen Global, a global marketing research company registered in Kyiv, lodged a complaint with the BOC regarding an unfounded demand from the Pechersk STI that Nielsen Global sign a second agreement, in addition to the existing one, on the recognition of electronic documents.

### Action taken:

After examining the case, the BOC investigator sent a request to the SFS and Pechersk STI to look into the actions of Pechersk STI officials, and take the necessary steps to halt their inappropriate demand to conclude a second agreement, in addition to the existing Agreement on the recognition of electronic documents. On October 10, the Complainant received a second letter from STI obliging him to conclude the additional agreement to the agreement. The BOC investigator immediately brought the issue up with Pechersk STI inspector.

### Result achieved:

After the BOC investigator's personal intervention, the BOC received a letter that day from the Pechersk STI acknowledging that the previously-concluded agreement on the recognition of electronic documents signed between the Complainant and Pechersk STI was still in force, and no additional agreement was necessary. The case was successfully closed.

Complainant has kindly agreed to disclose his/her name for communication purposes



## #8

### **Complainant's elevators are put into operation**

#### **Subjects of complaint:**

State Labor Service, Main Administration of the State Labor Service (MASLS) in Kyiv Oblast

### **Complaint in brief:**

On June 14, 2016, the Complainant, a company that supplies, installs and services of elevators, escalators and moving walks, lodged a complaint with the BOC, asking it to facilitate getting a response from the Labor Service in Kyiv Oblast. The Complainant claimed that the Labor Service's conclusions to an audit of the company's registration and commissioning of elevators, presented in a protocol dated February 08, 2016, were improper. The Complainant had tried to challenge results and sent a complaint to the Labor Service that same month, but had never received an answer.

### **Action taken:**

The BOC investigator addressed the Kyiv Oblast Labor Service as well as the national Labor Service office, with a request that they respond to the Complainant's challenge of the conclusions in their audit protocol.

### **Result achieved:**

Right after the BOC investigator's action, the Complainant notified the BOC that they had received a response from the Kyiv Oblast Labor Service regarding their complaint and the proper registration and commissioning of elevators. The case was closed successfully.

## #9

### **Farm equipment importer gets partial recognition of customs class by SFS**

#### **Subject of complaint:**

State Fiscal Service of Ukraine (SFS)

### **Complaint in brief:**

On October 6, 2016, the Complainant, an importer of farm equipment, addressed a complaint to the BOC about the SFS's assignment of the proper customs classification code to five models of soil-preparation equipment that the Complainant had classified as cultivators. The dispute over customs classifications between the Complainant and the SFS had gone on for 2 years.

## #10

**SFS stops systematic increases of the declared customs value of imported goods**

**Subjects of complaint:**  
Kyiv Customs Office, State Fiscal Service of Ukraine (SFS)

### Action taken:

On October 26, the BOC investigator attended a meeting with the Customs Department of the SFS. As a consequence, within two weeks, two of the five models were recognized as cultivators. The remaining three were classified as tractors by the SFS. The SFS provided arguments in support of its decision based on the way that the equipment was constructed.

### Result achieved:

The BOC investigator decided to close the case as resolved partly in favor of the Complainant.

### Complaint in brief:

The Complainant, one of the biggest Ukrainian retailers and food importers, addressed the BOC regarding a claim that the Kyiv Customs Office was systematically and without justification increasing the declared customs value (DCV) of goods imported from the United States.

As of July 2016, the Complainant had submitted 280 complaints to administrative courts, challenging the legality of 1,320 SFS decisions adjusting the DCV of goods upwards. The court overturned all but 31 decisions considered by Complainant to be groundless.

### Action taken:

The BOC investigated the matter and found the remaining decisions equally unjustified. Given the systematic nature of the actions, the BOC raised the matter at a meeting with the PM on July 12. The PM ordered the Kyiv Oblast and Kyiv Municipal Customs Offices to stop unjustified upward adjustments to the DCV and called for an investigation. This was recorded in the minutes of the meeting.

# #11

## **Audit-based tax penalty of over UAH 40mn is stopped**

### **Subjects of complaint:**

Interregional Main  
Department of State Fiscal  
Service (IMD of SFS), Office  
for Large Taxpayers (OLT),  
State Fiscal Service of  
Ukraine (SFS)

## Result achieved:

On October 30, the Complainant informed the BOC that for the previous three months, the DCV “adjustments” stopped being systematic and normal customs clearance of goods had been renewed. The case was closed. Yet, the BOC continues to monitor the case to make sure that illegal actions on the part of SFS against the Complainant do not resume.

## Complaint in brief:

On October 12, 2016, the Complainant, a multi-national cosmetics company with a subsidiary in Ukraine, turned to the BOC to help challenge results of a tax audit carried out by the IMD of the SFS and the Central OLT. Based on the conclusions of the audit, tax authorities were about to impose a penalty of over UAH 40 million on the company.

## Action taken:

The next day, the BOC investigator took part in a hearing of challenges against the audit conclusions at the IMD of the SFS. During the meeting, agreement was reached that the penalty would not be levied against the Complainant until such time as the disputed issues were resolved.

## Result achieved:

On October 25, the Complainant requested the Council to close the case since the BOC investigator had achieved of the desired result.

# #12

## **Emarket Ukraine\* gets tax charge worth over UAH 71mn cancelled**

### **Subjects of complaint:**

Main Department of State Fiscal Service in Kyiv (MD of SFS Kyiv), State Fiscal Service of Ukraine (SFS)

## Complaint in brief:

In August 2016, TOV Emarket Ukraine, an advertising business that hosts an online platform called olx.ua on which users can design and display ads, turned to the BOC to help challenge the results of a tax audit carried out by the Kyiv SFS office. The audit resulted in a tax charge against the Complainant worth over UAH 71mn. The Complainant was challenging the charge in line with SFS procedures and asked the BOC to ensure that the complaint would be properly considered by the SFS.

## Action taken:

Having researched the matter, the BOC investigator sent a request to the SFS to ensure a comprehensive review of the Complainant's challenge. On September 21, the BOC investigator participated in the hearing of the complaint at the SFS.

## Result achieved:

As a result of the BOC's involvement, on October 13, the SFS cancelled the tax charge in full. The case was closed.

Complainant has kindly agreed to disclose his/her name for communication purposes

# #13

## **Waste management company regains access to property after wrongful police arrest**

### **Subject of complaint:**

Vasylkivskyi Police Department (Vasylkivkyi PD) in Kyiv Oblast

## Complaint in brief:

On August 25, 2016, the Complainant, a waste management company, addressed the BOC after the Vasylkivkyi Police Department sealed premises that the Complainant had leased to store its equipment. The Complainant reported that police investigator had been granted a court order to search the landlord's property because of some crime that had been allegedly committed there. But the investigating judge had not authorized the investigating officer to seal the Complainant's premises or seize the Complainant's property.

# #14

## **SSS closes criminal case and returns property to agro-chemical importer TOV August-Ukraine\***

**Subject of complaint:**  
State Security Service of Ukraine in Kyiv and Kyiv Oblast (Kyiv and Oblast SSS)

### Action taken:

The BOC investigator looked into the matter and concluded that the police investigator had failed to comply with the provisions of procedural legislation. The BOC inspector sent a request to the Vasylkivkyi PD to review the circumstances of the seizure of the Complainant's property and, if this seizure was without basis, to take steps to return the property to the Complainant. The BOC investigator also sent this case to the National Police expert group for review.

### Result achieved:

On October 20, the Complainant informed the Council that the problem had been solved and access to the sealed property had been restored. The case was closed.

### Complaint in brief:

On May 13, 2016, the Complainant, a foreign importer and wholesale distributor of agro chemicals TOV August-Ukraine, lodged a complaint to the BOC regarding what it claimed was an unlawful criminal case, filed against it by the Kyiv SSS office. The case had been launched under Art. 321 of the Criminal Code of Ukraine: the illegal production and distribution of chemicals and powerful precursors. It resulted in a court ruling to seize over 350 t of agro chemicals for expert assessment. The assessments were conducted in September 2016, but the Kyiv SSS refused to pay for them. Meanwhile, the Prosecutor General's Office turned the criminal case over to the National Police of Ukraine for further investigation.

### Action taken:

On May 23, the BOC investigator sent requests to the Kyiv and Oblast SSS and Prosecutor General's Office to verify the legality of the seizure of the Complainant's chemicals and grounds for this measure. The responses from the Kyiv SSS and Prosecutor's Office noted that an official investigation into the unlawful actions of the Kyiv and Oblast SSS had been delegated to the Kyiv and Oblast

# #15

**Persistence pays: UAH 2,665 returned after three years of court hearings**

**Subject of complaint:**  
Mykolayiv Municipal  
Customs under the State  
Fiscal Service

SSS. After some further ineffective correspondence with the Kyiv and Oblast SSS, the BOC investigator raised the Complainant's case at a meeting with SSS officials in June and during an Expert Group meeting at the office of the National Police in October.

## Result achieved:

As a result of the BOC investigator's actions, the Complainant reported in November that the criminal case against the company had been closed and the chemicals were returned.

## Complaint in brief:

In August 2016, the Complainant, a distributor of car parts and lubricants registered in Mykolayiv Oblast, lodged a complaint with the BOC regarding the failure by Mykolayiv Municipal Customs to return overpaid customs duty for nearly three years. The overpaid amount, which had resulted from an adjustment to the customs value of an imported spare part in 2013, was only UAH 2,665.83, but its return became the subject of six court hearings.

Initially, the Mykolayiv Circuit Administrative Court overturned the decision of the Mykolayiv Customs Office to declare the spare part illegal. But the Mykolayiv Customs Office tried to challenge this ruling in an appeals court and the Higher Administrative Court, without success. Still, the Customs Office refused to return the difference in the customs duty, so that, at the end of 2014, the Complainant turned to the courts again and once again went through the three courts. The Higher Administrative Court left the original decision of the Mykolayiv Circuit Administrative Court unchanged, requiring the Mykolayiv Customs Office to return the difference to the Complainant. Again, the Customs Office refused to do so. At this point, the Complainant appealed to the BOC for help.

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## Action taken:

The BOC investigator discussed the enforcement of the court order in the Complainant's case with officials at the Mykolayiv Customs Office, and submitted the case to the BOC-SFS working group on customs issues. This took place in October.

## Result achieved:

As a result of the BOC investigator's intervention, the Complainant informed the BOC on November 23, that it had received the overpaid customs duty in full, including for other instances not related to this particular complaint. The case was closed.

# #16

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## **SFS refunds UAH 14 mn VAT to Agrotrade-2000**

### **Subject of complaint:**

Bilotserkivs'ka Joint  
State Tax Inspection of  
Kyiv Region under State  
Fiscal Service of Ukraine  
(Bilotserkivs'ka STI)

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## Complaint in brief:

In September 2016, company "Agrotrade-2000", wholesaler of grain and animal feeds located in Kyiv Oblast, addressed to the BOC with the request to help challenge VAT non-refund in the amount of over UAH 14 mn. for April-May 2016 by Bilotserkivs'ka STI.

## Action taken:

In October 2016, the BOC submitted the case for further consideration of the respective joint working group of the Council and the SFS.

## Result achieved:

On October 26, the Complainant informed the BOC that the VAT for April-May 2016 had been fully refunded. The case was closed in 1 month.

Complainant has kindly agreed to disclose his/her name for communication purposes

## #17

### **SFS refunds VAT in amount over UAH 344 mn. to factory-farm enterprise**

#### **Subject of complaint:**

State Fiscal Service of Ukraine (SFS of Ukraine)

#### Complaint in brief:

On July 12, 2016, the Complainant, a factory-farm enterprise with foreign investments, lodged a complaint with the BOC regarding VAT non-refund by SFS of Ukraine in amount over UAH 418 mn. for separate periods of 2013-2016.

#### Action taken:

Having investigated the matter of Complainant, the BOC investigator has submitted it to the sessions of BOC and SFS working group on August 9 and 23.

#### Result achieved:

Following the meetings of working group, Complainant informed the Council that VAT in amount of UAH 344 mn has been repaid to him. On November 3, Complainant notified that the matter doesn't need any further involvement on the part of BOC. The case was closed.

## #18

### **Ministry of Justice withdraws illegal changes to statutory documents by Pechersk district state administration**

#### **Subject of complaint:**

Pechersk District State Administration in Kyiv (Pechersk DSA), Ministry of Justice

#### Complaint in brief:

On October 12, 2016, the Complainant, a power engineering and industrial construction firm, lodged a complaint with the BOC regarding the actions of state registrars at the Pechersk DSA, who had registered changes in the Complainant's statutory documents and organizational structure based on falsified documents.

#### Action taken:

The BOC investigator sent a request to the Ministry of Justice to immediately call a Commission to consider a complaint regarding state registration in order to review the Complainant's charges. The Commission met on October 18.

#### Result achieved:

Next day after the meeting, the Complainant informed the Council that the changes in the firm's statutory documents had been withdrawn. The case was closed.



# #19

## **Verkhovna Rada cancels fees for changing addresses in statutory documents**

**Subject of complaint:**  
Verkhovna Rada (VR)

### Complaint in brief:

On October 12, 2016, enterprise «Kodymsky District Consumer Society», registered in Odesa Oblast, turned to the BOC regarding the fee for state registration of changes to a legal address in a company's statutory documents because of a change in the name of the street where the Complainant is registered. The street name was changed to comply with to the Law "On the condemnation of the communist and national socialist (Nazi) regimes in Ukraine, and a ban of promulgating their symbols" dated April 09, 2015 (the decommunization law).

### Action taken:

Having reviewed the case, the BOC investigator determined that after the adoption of the decommunization law, the fee for state registration of changes to legal address in statutory documents was not being charged. However, after the Law "On amending the Law 'On state registration of legal entities and individual entrepreneurs and community groups' entities were being charged the registration fee as of January 01, 2016. In addition, the inspector found out that the Verkhovna Rada had registered a bill to eliminate this fee. In view of this, the Council appealed to the Ministry of Justice and VR with letters in support of the bill.

### Result achieved:

On December 02, the Ministry of Justice informed the BOC that, as of November 02, 2016, the fee for registering changes to a legal address in statutory documents, including in connection with the decommunization law, had been dropped. The Complainant's problem was solved.

Complainant has kindly agreed to disclose his/her name for communication purposes

## #20

### **Tax Inspection for Large Taxpayers refunds VAT in amount over UAH 238 mn. to steel tubes producer**

#### **Subjects of complaint:**

Specialized State Tax Inspection for Large Taxpayers in Dnipro (SSTI in Dnipro), State Fiscal Service (SFS)

### Complaint in brief:

The Complainant, one of the largest European companies specialized in producing seamless stainless steel tubes and pipes with manufacturing facilities in Dnipro Oblast, lodged a complaint with the BOC regarding VAT non-refund by SSTI in Dnipro in amount over UAH 238 mn. for separate periods of 2016.

### Action taken:

Having investigated the matter, the BOC investigator contacted the SSTI in Dnipro to make sure that the SSTI had timely fulfilled its obligations on submission of conclusions concerning the refundable VAT sums to the respective treasury department and to SFS.

Taken that the Complainant is a large taxpayer, the BOC discussed the issue with senior officials of the Central Office for Large Taxpayers.

### Result achieved:

As a result of the BOC's involvement, the Complainant received the VAT refund in amount over UAH 238 mn. The case was successfully closed.

## #21

### **Internet provider gains right to pay reasonable rates to place its telecommunication networks on existing power poles**

#### **Subject of complaint:**

Poltava Territorial Department of the Antimonopoly Committee of Ukraine (AMC)

### Complaint in brief:

On August 29, 2016, Fobos Information Technologies Implementation Center LLC, representing a group of small and medium internet providers who use the services of the power utility's existing transmission poles to install their own telecommunication networks (TCN), addressed a complaint to the BOC about possible abuse of monopoly position by PAT Poltavaoblenergo, the local power utility. The Complainant accused Poltavaoblenergo of charging overly high rates for services for the use of slots on its network for the installation of TCN, and that the local AMC office, the Poltava Territorial Department, had not taken any action to investigate the allegations, despite repeated requests from the Complainant.

Complainant has kindly agreed to disclose his/her name for communication purposes

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## Action taken:

The BOC investigator requested that the AMC's Territorial Department provide an explanation for its failure to respond to the Complainant's appeals. A case regarding violations of the law on commercial competition was opened, and confirmed that PAT Poltavaoblenergo was in violation. The AMC's Territorial Department recommended Poltavaoblenergo recalculate the cost of its services on a commercially justified basis.

## Result achieved:

As a result of the BOC's intervention, the Complainant's rights under the law on commercial competition were restored and its right to commercially-justified rates for placing its TCN on existing poles recognized. The case was closed successfully.

# #22

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### **SFS cancels debt against tax and rent on land in ATO territory**

#### **Subject of complaint:**

Main Department of State Fiscal Service in Donetsk Oblast (SFS Donetsk Oblast)

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## Complaint in brief:

The Complainant, company specialized in producing of materials from coated sheet metal, lodged a complaint with the BOC against the Donetsk Oblast SFS for what it considered an unlawful tax debt for supposed failure to pay the land tax and rent for land plots located in Donetsk Oblast. Due to the start of anti-terrorist operation (ATO) in Luhansk and Donetsk Oblasts, the Complainant was forced to abandon two leased land plots with all manufacturing facilities. He registered in Kyiv as an enterprise that had moved from occupied territory. In March 2016, however, the Complainant had found out a tax debt for failing to pay land tax and rent for land plots located in ATO territory. Complainant rightly observed, that debt accrual violated the Law "On temporary measures for the duration of the Anti-Terrorist Operation" under which the Complainant was exempt from payment of land tax and rent for lands located in the occupied territory.

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### Action taken:

Having reviewed the case, the BOC investigator discovered that a range of companies who moved from ATO territory had experienced similar problem. In opinion of the tax authorities, any exemption from taxes can only be granted by the Tax Code and cannot be regulated by any other law. This practice by tax authorities was debated at Ministry of Finance and in the Verkhovna Rada more than once, but agreement was never achieved. Taking into account the ongoing work on making amendments to the Tax Code of Ukraine, the BOC addressed the Ministry of Finance with suggestion to settle the corresponding issues with land tax and rent for land plots by amendments to the Tax Code.

### Result achieved:

On December 21, the Verkhovna Rada of Ukraine agreed the amended Tax Code, providing full exemption of enterprises from payment of land tax and rent for land located in the temporarily occupied territory. Amendments also foresee that accrued and paid during the period of ATO amounts of the land tax are considered overpaid and must be repaid.

## 2.4. SYSTEMIC REPORT ON “CHALLENGES FOR GOVERNMENT AND BUSINESS IN DEALING WITH LOCAL GOVERNMENT”

Local governance reform, which is supposed to transfer powers and budget revenues from the central government to local government agencies (further – decentralization), is one of those reforms that has been taking place fairly successfully and dynamically in Ukraine. The foundations of local government entrenched in the Constitution and the adoption of regulatory acts are providing the basis for businesses to develop and new jobs to be created.

In the process of implementing this reform, the key objective is to keep a **balance between the powers of local governing bodies and their responsibility for making decisions** because of the risks of local governments making policies and decisions that are outside their actual competence. Thus, the Business Ombudsman Council recommends enacting Sec. 2 Art. 144 of the Constitution of Ukraine, which is the provision about establishing a procedure for rescinding decisions by local governments that are not in compliance with the Constitution or other Ukrainian laws, and adopting the Law of Ukraine #2217a “On amending the Constitution (on decentralizing government),” dated July 1, 2015.

In addition to this, BOC proposes to **establish state oversight of decisions by local governments**:

- Regulating relations between local government agencies and the executive branch by clearly defining their powers and responsibilities based on the principle

of subsidiarity, and supporting the Law of Ukraine #2489 “On serving in local government agencies,” dated March 30, 2015.

- Supporting the Law of Ukraine “On prefects,” where to foresee the power to rescind any acts by local government agencies that violate the Constitution or Laws of Ukraine and simultaneously appeal to a court.
- Recommending the Ministry of Justice draw up Guidelines to approve Standard Statutes for Territorial Communities and Sample Provisions on Elders that would cover the relevant issues.
- Providing a mechanism for holding officials working at local government agencies liable — for instance, by proposing amendments to the Criminal Code and the Code on Administrative Violations to increase the liability of government personnel at the local level.

The other process that urgently needs to be **concluded is the unification of communities**. The BOC recommends listening to the suggestions of international advisors and considering amending legislation to give the Government greater powers to streamline this process. The other issue that needs to be resolved is what to do when existing counties completely coincide with the boundaries of the unified territorial communities established on their territory.

**Complete decentralization of administrative services** is currently taking place in Ukraine. All the major population centers have already established and opened the doors of Administrative Services Centers. The BOC recommends speeding up the building and equipping of this network of centers, including in unified territorial communities.

Aside from this, in the process of setting up unified territorial communities, a series of technical problems emerged that affect business interests. One example is the transfer of assets that were community property owned by a local government agency to the ownership of the unified territorial community, which has also resulted in problems for businesses that are using such community property on a legal basis. Another issue is right of succession to the powers of regional environmental protection administrations that have been eliminated.

There is **a slew of land issues that are also connected to the powers of local government agencies**. The BOC offers recommendations on the issuing of permits to develop land management projects, such as drawing up amendments to Arts. 53-5 of the Code of Administrative Violations to ensure that officials can be taken to court proportionally to the severity of their breaches when violating both the timeframes for agreeing and approving land use documentation, and the terms for reviewing applications for permits to develop land management plans.

Another obstacle that business has run into in dealing with local government agencies in Ukraine is the problem of establishing and extending the terms of land lease agreements. A series of BOC recommendations is aimed at ensuring the necessary regulation of this issue and establishing (i) timeframes for local government agencies to decide to accept or reject an application to lease a parcel of land; (ii) timeframes for local government agencies to accept or reject an application to renew a lease on a parcel of land; (iii) a clear procedure governing the actions of local government bodies and individuals interested in leasing land regarding the drawing up of a lease on a land parcel and additional agreements to extend the lease on the same land parcel.

# COOPERATION WITH STAKEHOLDERS

One of the key commitments of the Business Ombudsman Council is furthering progress towards transparency among state, regional and local authorities, and among companies owned or controlled by the state. In addition, the Council intends to facilitate ongoing, system-wide dialogue between business and the government.

In the reporting period, Business Ombudsman made working visits to Zaporizhzhya, Vinnytsia and Severodonetsk where he met with the leaders of the Regional State Administrations and the representatives of public and business community.

Visits to the regions is part of the Business Ombudsman's regional working visit series, designed for Mr. Šemeta to meet with business and government representatives and discuss current problems and opportunities to expand the investment potential of the regions.



## In the previous reporting period Mr. Šemeta visited

Cherkasy,  
Chernigiv,  
Chernivtsi,  
Dnipropetrovsk,  
Donetsk,  
Kharkiv,

Kherson,  
Khmelnysky  
Lviv,  
Odesa,  
Rivne,  
Sumy,

Ternopil  
Volyn,  
Zakarpattya  
and  
Zhytomyr  
regions.

### 3.2. Cooperation with government agencies

Since November 2016, with a view to fulfill orders of Volodymyr Groysman and under the auspices of the Business Ombudsman Council, regional administrations of the State Fiscal Services (SFS) have implemented the practice of monthly meetings with entrepreneurs-taxpayers.



During November-December 2016, meetings of the BOC's investigators, the SFS and entrepreneurs were carried out in 9 regions (Ivano-Frankivsk, Kharkiv, Cherkasy, Odesa, Volyn, Lviv, Dnipropetrovsk, Kyiv, Mykolayiv regions).

The BOC continues to work tightly within the expert groups established within Memoranda signed with key government agencies. Namely, with the State Fiscal Service, the Kyiv City State Administration, National Police, National Agency on Corruption Prevention, the State Regulatory Service, the Ministry of Justice, the National Anti-Corruption Bureau and Ministry of Ecology and Natural Resources of Ukraine.

Expert groups are a platform to review particular complaints openly and transparently as well as to improve legislation governing business activities and remove barriers that inhibit doing business in Ukraine.



### 3.3. Public outreach and communication

Communication with the public is essential to the Business Ombudsman's role. Our Office uses media and technology wherever possible to engage and inform Ukrainians – and to ensure public appearances by the Ombudsman and his team reach a wide audience.

#### Outreach

Our experts spoke at a range of important events, namely:

##### 3.10

Compliance Club Meeting at ACC "How an Effective and Efficient Compliance Program Helps to Attract Foreign Investors"

##### 17.10

Launch Event #MAKEREFORMSHAPPEN by OECD. Program, launched in 2007 and aimed at analyses of the reform experiences of the 30 OECD countries.

##### 21.10

National Business Forum: «Ukraine is the country of businessmen», organized by Ukrainian League of Industrialists and Entrepreneurs. Forum brought together over 400 young entrepreneurs as well as those who only dreams about own business.

##### 21.10

Round table: IT and Law Enforcement Agencies, organized by Association "Information Technologies of Ukraine"

##### 31.10

Roundtable with U.S.-Ukraine Business Council (USUBC) „Role of compliance in fighting against corruption in business and state"

##### 1-2.11

OSCE Forum «Reconstruction through Dialogue» in Severodonetsk

##### 9.11

Business Roundtable for members of U.S.-Ukraine Business Council (USUBC)

##### 9.11

9th Investment Forum in Kyiv

##### 14.11

Policy briefing: "The EU-Ukraine Association Agreement: how is it shaping Ukraine" by Ukrainian Institute for Public Policy

**19.11**

Thanksgiving Day and Business Award Ceremony by ACC.  
Business Ombudsman Council received 2016 Thanksgiving Award  
from American Chamber of Commerce in Ukraine for fighting  
corruption, simplifying bureaucracy and improving business  
climate in Ukraine.

**22.11**

Regular meeting of the Donor Coordination Technical Working Group on Anti-Corruption, co-chaired by OECD and UNDP

**23.11**

EBRD Transition Report 2016-17 "Transition for all: Equal opportunities in an unequal world"

**28.11**

Speech before the students of Kharkiv University of Internal Affairs

**2.12**

Second International Conference of Commerce and Industry FTA: Opportunities and Challenges for Ukraine and Partners by Chamber of Commerce and Industry of Ukraine.

**9.12**

Forum «International Anti-Corruption Day in Ukraine-2016» by Cabinet of Ministers of Ukraine

**9.12**

Presentation of 2nd report "Ukraine and Association Agreement: monitoring of implementation from July, 1st – November 1st 2016", organized by NGO "Ukrainian Centre for European Policy".

**12.12**

Ukrainian – Lithuanian Economic Forum in Kyiv



On 25-28 October, the Business Ombudsman Council's team attended the training in Canada at Ontario Ombudsman Office – a role model for similar institutions worldwide.



On 13-16 December, the BOC team successfully passed the training on mediation competences and conflicts resolution.



The Business Ombudsman Council communicates with the media to exchange information and does not, in any shape or form, provide financial compensation to editors or journalists for mentioning its activity or its speakers.

Since launch of operations in May 2015, the Business Ombudsman and his Office were cited in the media

**10 000+**  
times

**99%**  
mentions

being positive and constructive

*(based on media monitoring by Context Media).*



**Our interviews were published in the leading Ukrainian media:**

a news agency UNIAN; a business weekly "Biznes"; Kyiv Post edition; "Focus" magazine; platform delo.ua; business weekly "Dilova stolytsya" to mention a few.

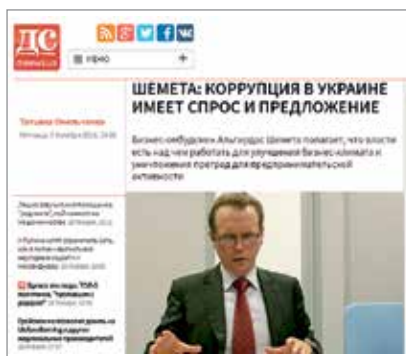
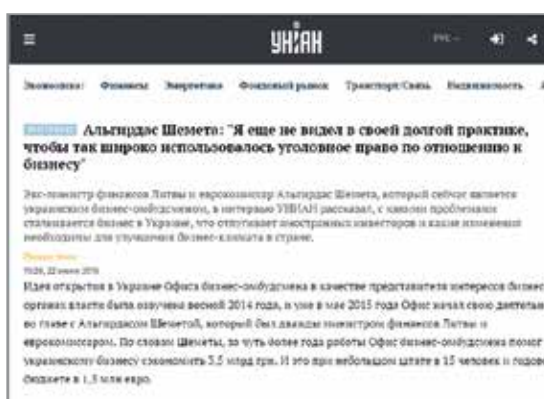
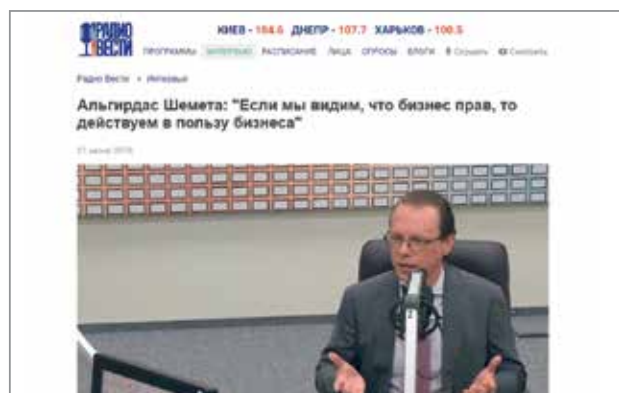
## SPECIAL PROJECT

Together with FOCUS magazine, we continue "Business against the system» special project, which was launched in Q3 2016. We feature stories of our complainants – Ukrainian entrepreneurs who faced corruption in Ukrainian government agencies – but solved their problems with the help of the Business Ombudsman Council. These are stories of businessmen who were not afraid to challenge the system and stand upon their rights.



**We also made a number of TV**

(Espresso TV, 1+1, hromadske.tv) and radio appearances (Hromadske Radio, Holos Stolytsi, Radio Visti).





## THE BOC IS FUNDED



through the Ukraine Stabilisation and Sustainable Growth Multi-donor Account set up by the European Bank for Reconstruction and Development (EBRD) in 2014.

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