



IMPLEMENTATION OF THE SYSTEMIC RECOMMENDATIONS

(JULY 2015 – SEPTEMBER 2019)

LIST OF ABBREVIATIONS

BOC	Business Ombudsman Council	MD NP	Main Investigation Department of the National Police of Ukraine
CMU	Cabinet of Ministers of Ukraine	PGO	Prosecutor General's Office of Ukraine
VRU	Verkhovna Rada of Ukraine	SSU	Security Service of Ukraine
MEDT	Ministry of Economic Development and Trade	AMCU	Antimonopoly Committee of Ukraine
MinReg	Ministry of Regional Development, Construction, Housing and Residential Services	Administration of the President	Administration of the President of Ukraine
MinAgro	Ministry of Agricultural Policy and Food	SACI	State Architecture and Construction Inspection of Ukraine
MinEco	Ministry of Environment and Natural Resources	SPF	State Property Fund of Ukraine
MinJust	Ministry of Justice	NACP	National Agency on Corruption Prevention
MinSoc	Ministry of Social Policy	SJA	State Judicial Administration
MinFin	Ministry of Finance	KMSA	Kyiv Municipal State Administration
MinInf	Ministry of Infrastructure	GeoCadastre	State Service of Ukraine for Geodesy, Cartography and Cadastre
MinEnergy	Ministry of Energy and Coal Industry	OSA	Oblast State Administration
MIA	Ministry of Internal Affairs	LSA	Local State Administration
Export Control Service	State Export Control Service	MEA	Municipal Executive Authorities
SFS	State Fiscal Service of Ukraine	AUC	Association of Ukrainian Cities
SRS	State Regulatory Service	SES	State Employment Service of Ukraine
NEURC	National Energy and Utilities Regulatory Commission	SLS	State Labor Service of Ukraine
NPU	National Police of Ukraine	SMS	State Migration Service of Ukraine

Recommendations issued to relevant authorities and implementation rate

Total number of recommendations issued since launch of operations

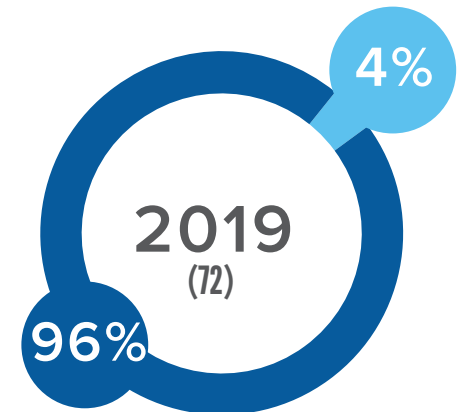
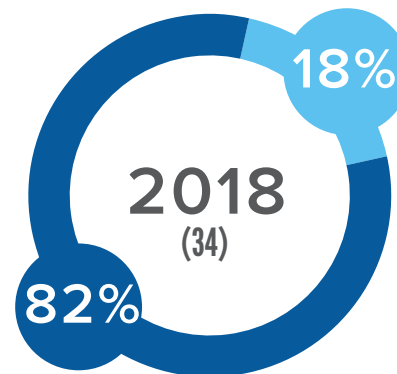
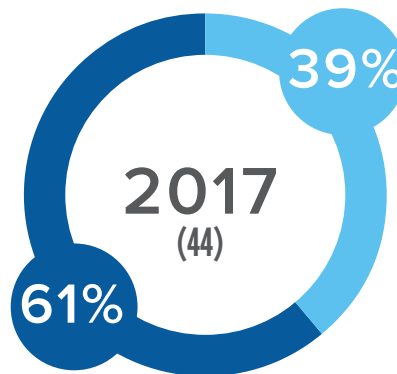
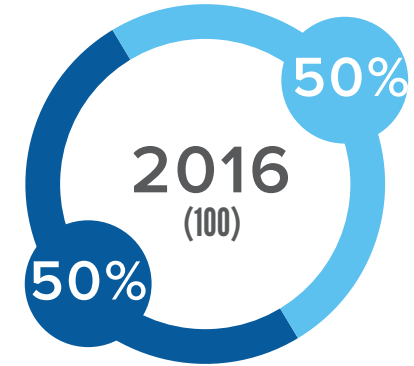
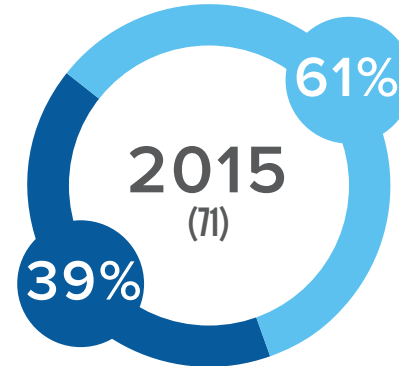
321

Recommendations implemented

47%*

Recommendations subject to monitoring

53%



Recommendations subject to monitoring

Recommendations implemented

July 2015

SYSTEMIC REPORT "PROBLEMS FOR BUSINESSES AS A RESULT OF THE MILITARY SITUATION IN THE EAST OF UKRAINE AND THE ANNEXATION OF CRIMEA"



REPORT ON SYSTEMIC PROBLEM

Problems for businesses as a result of the military situation in the east of Ukraine and the annexation of Crimea

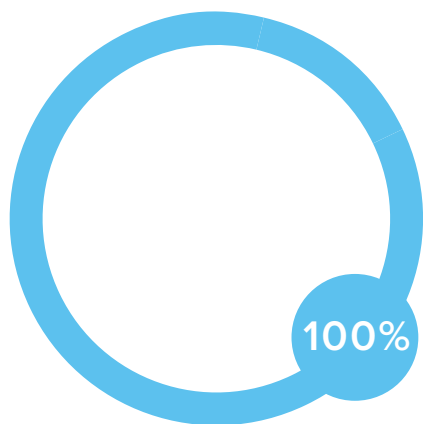


July 2015

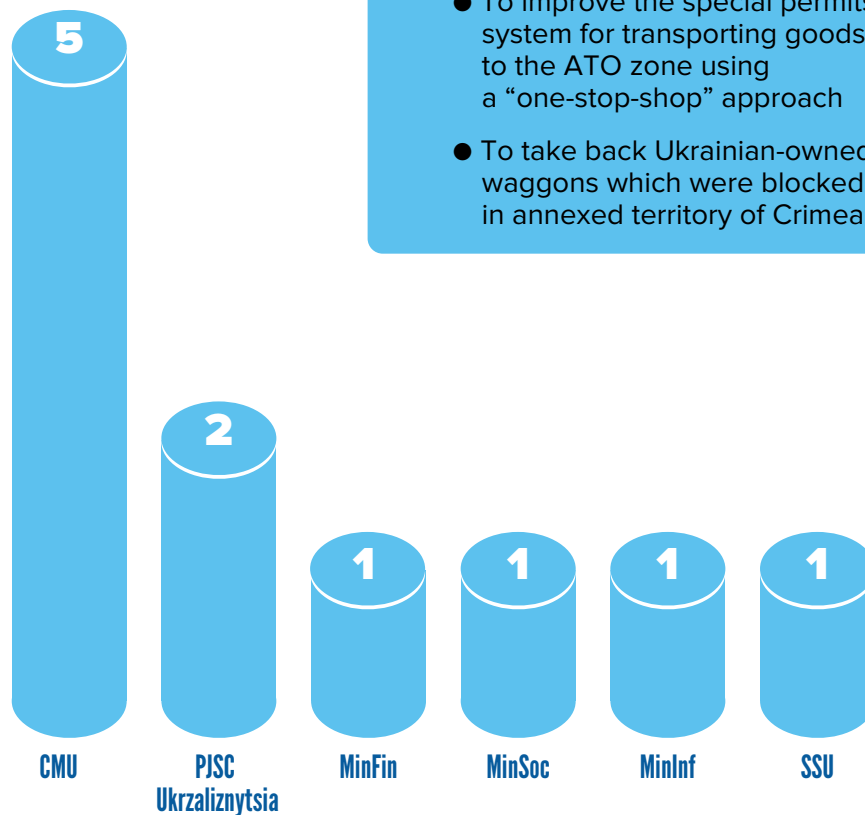
Total number of recommendations issued **8**



- To fulfil all financial commitments to businesses whose employees were mobilized for a "specified term" of the ATO
- To improve the special permits system for transporting goods to the ATO zone using a "one-stop-shop" approach
- To take back Ukrainian-owned waggons which were blocked in annexed territory of Crimea



- Recommendations subject to monitoring
- Recommendations implemented



July 2015

SYSTEMIC REPORT "GETTING ACCESS TO ELECTRICITY"

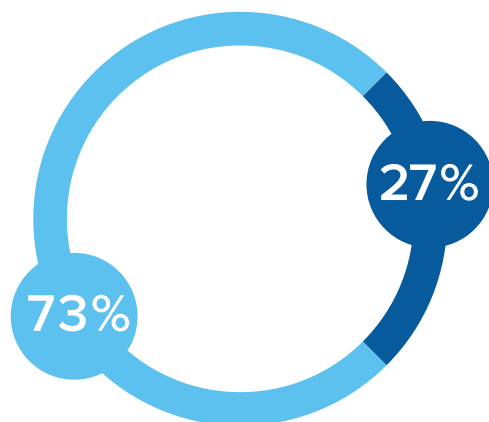


SYSTEMIC REPORT
Getting access
to electricity




July 2015

Total number
of recommendations
issued **11**



 Recommendations
subject to monitoring

 Recommendations
implemented



- To introduce a fixed rate for getting hooked-up
- To ensure that design documentation is prepared by a power utility
- To simplify approval of design documentation by establishing fixed timeframes



- To improve procedure of land plot's allotment through expanded use of servitudes
- To prepare new and streamline existing zoning/territorial plans
- To improve procurement through wider use of framework contracts by power utilities



NEURC



MinEnergy



MinReg

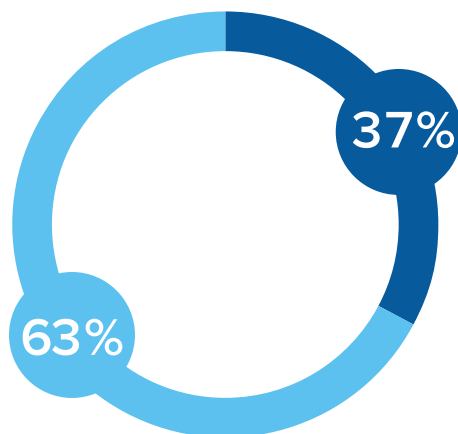



October 2015

SYSTEMIC REPORT "PROBLEMS with CROSS-BORDER TRADING in UKRAINE"



Total number
of recommendations
issued **24**



 Recommendations
subject to monitoring

 Recommendations
implemented



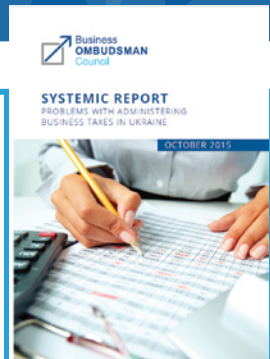
- To improve the procedure of export contracts registration
- To publish a consolidated Official List of Goods Subject to State Export Control on the official website of the State Export Control Service
- To cancel the CMU Resolution No.724 of September 16, 2015, by which the State Customs was empowered to apply indicative benchmarks to import customs value arbitrarily
- To cancel application of special sanctions for violation of the Law of Ukraine "On Foreign Economic Activities" and related laws of Ukraine



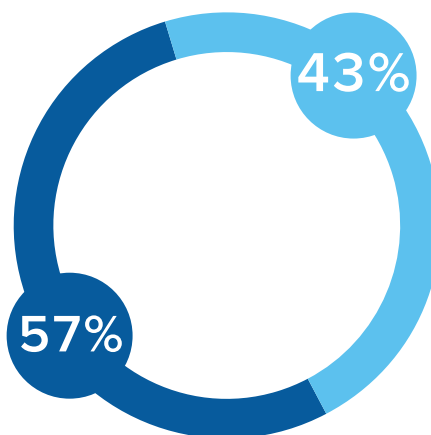
- To draft amendments to the Law "On Foreign Economic Activities" for its significant liberalization
- To draft and adopt comprehensive User Guide on Strategic Goods and Services
- To amend the Customs Code and implement post-clearance control procedures

October 2015

SYSTEMIC REPORT "PROBLEMS WITH ADMINISTERING BUSINESS TAXES IN UKRAINE"



Total number
of recommendations
issued **28**



 Recommendations
subject to monitoring

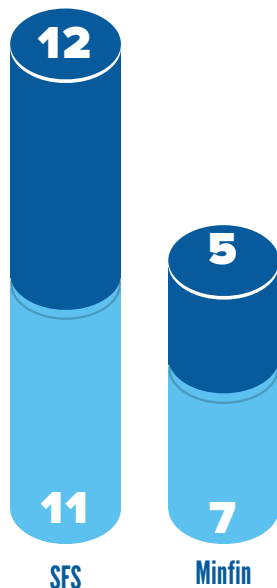
 Recommendations
implemented



- To introduce taxpayer's single electronic office
- To introduce mechanism enabling return of excessive balance on a taxpayer's VAT account
- To introduce properly functioning system of automatic registration of tax invoices



- To ensure existence of fair and timely administrative appeal mechanism
- To introduce effective system of bringing tax officials to disciplinary (personal) liability
- To ensure prompt enforcement of court decisions ordering refund of taxes

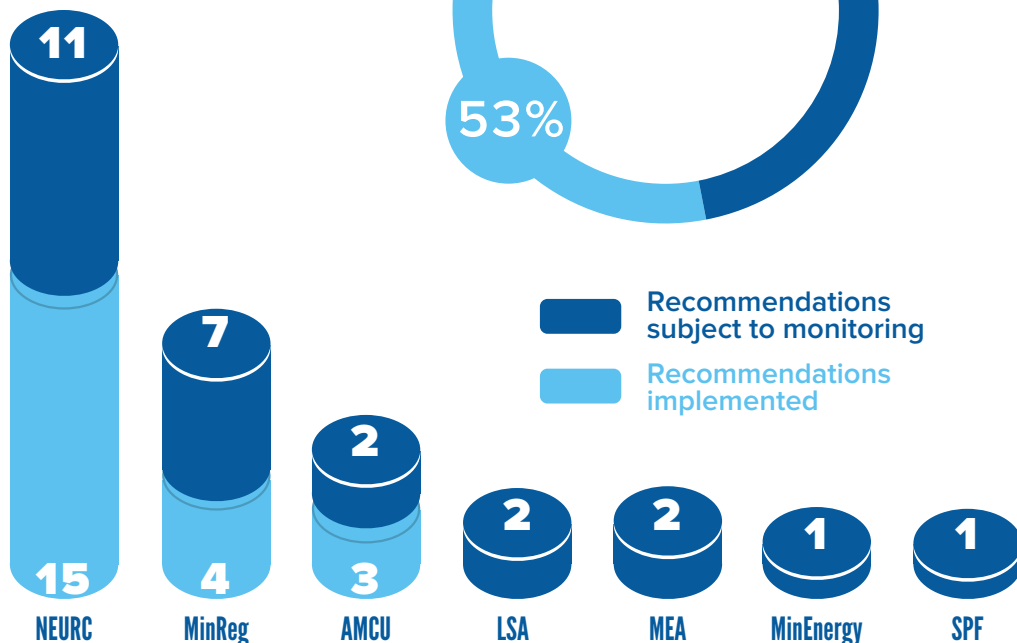
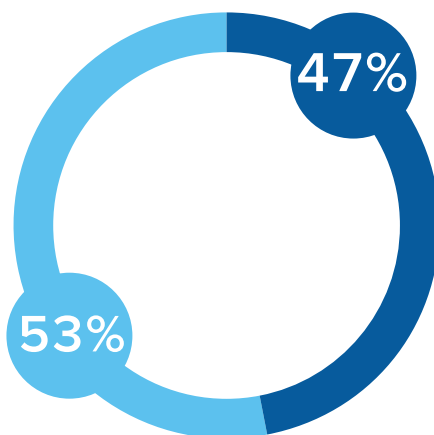



January 2016


SYSTEMIC REPORT "NATURAL MONOPOLIES vs. COMPETITIVE BUSINESS: how to improve relations"



Total number
of recommendations
issued **32**



 Recommendations
subject to monitoring

 Recommendations
implemented



- To improve engineering network access (implemented partly for electricity and gas)
- To set rates in the transparent and clear way
- To provide access of the consumers to the key information on energy and utilities
- To introduce quality indicators in the spheres of utilities



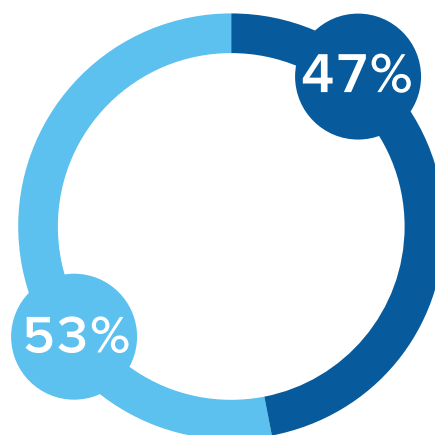
- To establish the requirements for service providers to disclosure key indicators of their operations on their websites
- To improve handling of customer complaints
- To implement the concept of switching from cost plus tariff method to the regulatory-asset based methodology in the field of electricity and gas supply
- To provide all necessary measures for the implementation of incentive-based rate methodologies in the field of heating, water supply and waste management



January 2016

SYSTEMIC REPORT "ABUSE OF POWERS BY THE LAW ENFORCEMENT AUTHORITIES IN THEIR RELATIONS WITH BUSINESS"



Total number of recommendations issued **15**



 Recommendations subject to monitoring
 Recommendations implemented



- To prescribe maximum time limits for conducting pre-trial investigation of criminal proceedings until suspicion notice is furnished
- To tackle various types of abuses at the pre-trial investigation stage
- To improve mechanism of personal liability of law enforcers



- To prohibit criminal prosecution for tax evasion until tax liability is "approved/acknowledged"
- To develop methodological recommendations for persons lodging notices about committed criminal offence
- To prescribe maximum time limits for conducting expertise

July 2016

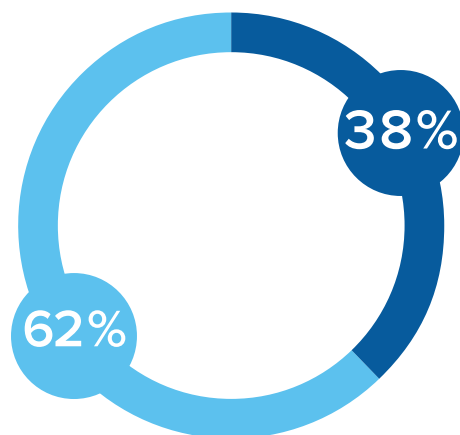
SYSTEMIC REPORT "REDUCING THE RISK OF CORRUPTION AND ATTRACTING INVESTMENT TO THE CONSTRUCTION INDUSTRY"

Business
OMBUDSMAN
Council

SYSTEMIC REPORT
REDUCING THE RISK OF CORRUPTION
AND ATTRACTING INVESTMENT
TO THE CONSTRUCTION INDUSTRY

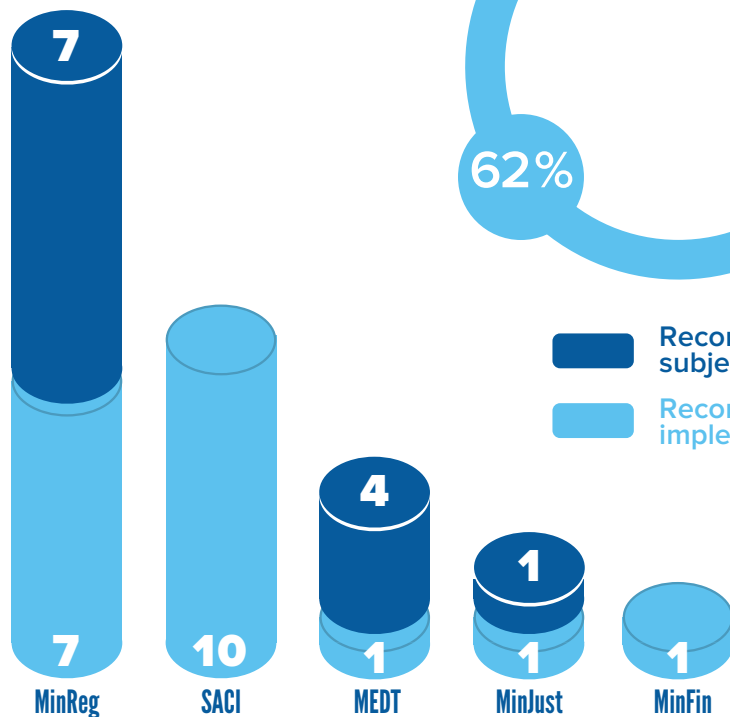


Total number
of recommendations
issued **26**



Recommendations
subject to monitoring

Recommendations
implemented



- To simplify obtaining of construction permits
- To harmonize conditions for placing building materials on the market in line with EU norms and standards
- To provide access to information on urban development, architecture and territorial planning



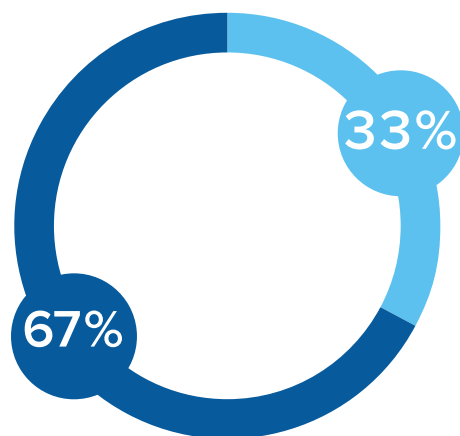
- To improve procedure or to cancel the current procedure of obligatory local development contribution
- To improve public procurement procedures in construction

November 2016

SYSTEMIC REPORT "CHALLENGES AND PROBLEMS IN THE SPHERE OF COMPETITION PROTECTION AND OVERSIGHT"



Total number
of recommendations
issued **27**



AMCU





VRU



CMU



SPF

 Recommendations
subject to monitoring
 Recommendations
implemented



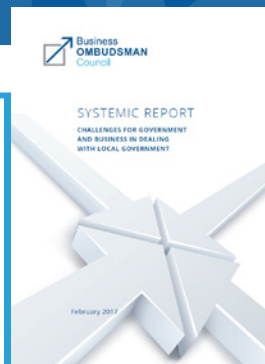
- To adopt the National Competition Development Program
- To publish substance of AMCU's individual recommendations
- To adopt legislation in the sphere of state aid



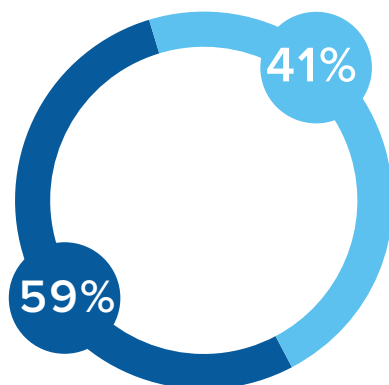
- To set time limits for investigation of cases alleging breach of competition
- To ensure split of the AMCU's investigatory and decision-making authority
- To ensure existence of Methodology for Calculating the Amount of Fines in the form of proper legislative act

February 2017

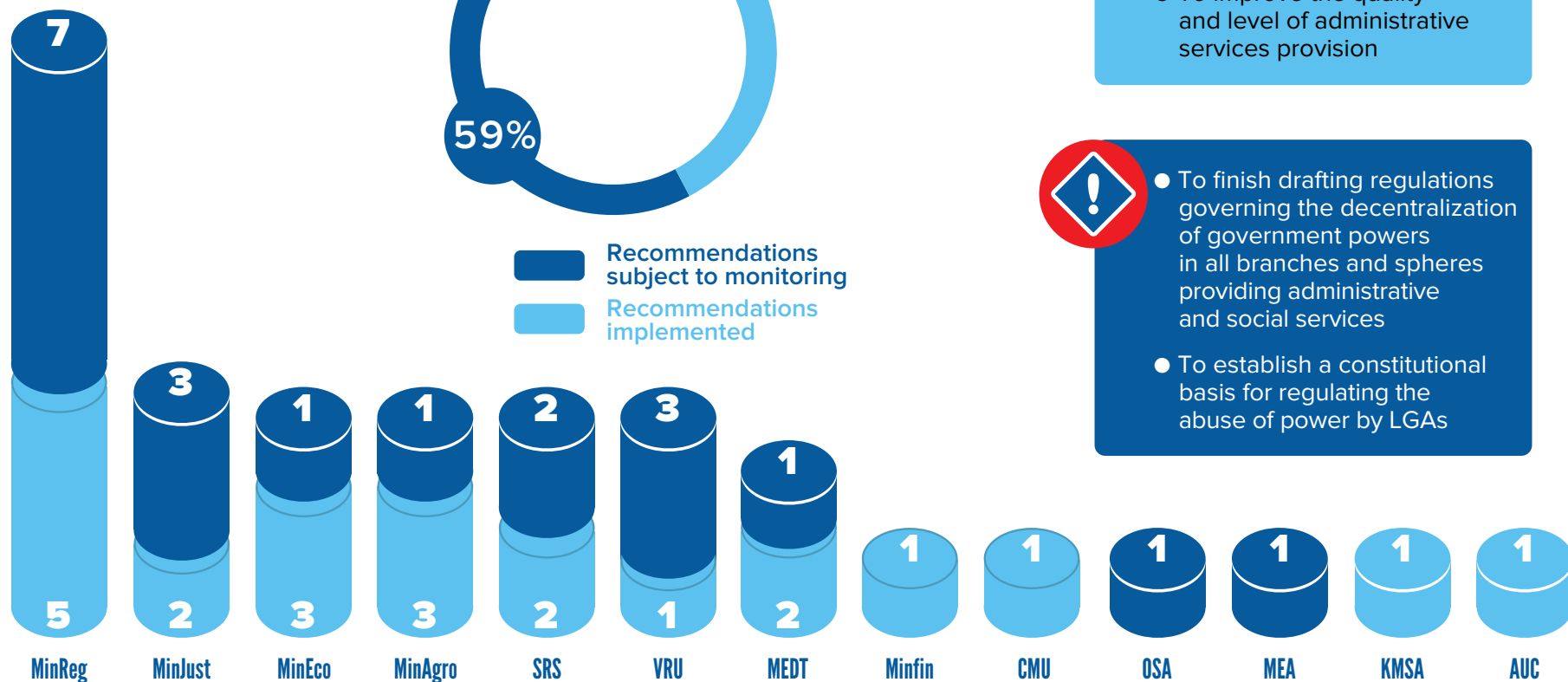
SYSTEMIC REPORT "CHALLENGES FOR GOVERNMENT AND BUSINESS IN DEALING WITH LOCAL GOVERNMENT"



Total number of recommendations issued **22**



■ Recommendations subject to monitoring
■ Recommendations implemented



- To remove legal gaps and foster voluntary unification of territorial communities
- To improve land lease procedures
- To improve the quality and level of administrative services provision



- To finish drafting regulations governing the decentralization of government powers in all branches and spheres providing administrative and social services
- To establish a constitutional basis for regulating the abuse of power by LGAs

July 2017

SYSTEMIC REPORT “COMBATTING RAIDERSHIP: CURRENT STATE AND RECOMMENDATIONS”

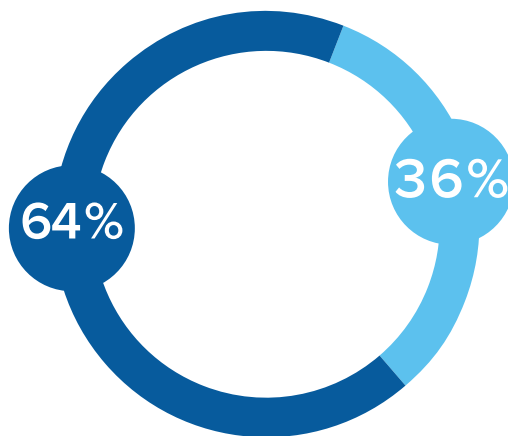
Business
OMBUDSMAN
Council


SYSTEMIC REPORT
COMBATTING RAIDERSHIP: CURRENT
STATE AND RECOMMENDATIONS




2017

Total number
of recommendations
issued **22**



 Recommendations
subject to monitoring

 Recommendations
implemented



- To ensure full synchronization of data with the Registry of Real Rights and the State Land Cadastre
- To publicize results of off-site documentary audits of state registrars
- To remove jurisdictional conflicts in court disputes pertaining to the sphere of state registration



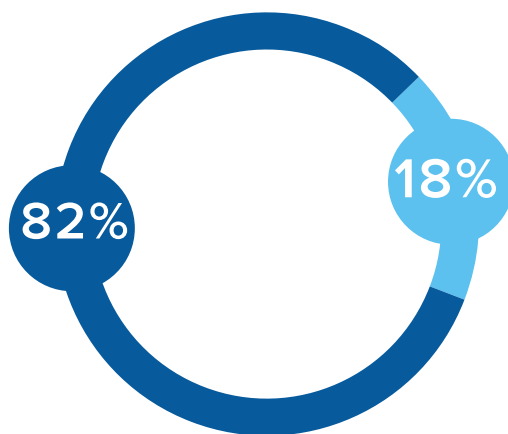
- To introduce the system of notification of owners of corporate rights about pending registration actions
- To develop methodological recommendations for law enforcers focused on investigation of the most common instances of raidership
- To ensure full technical interaction between the Registry of Real Rights and the Unified State Registry of Court Decisions



January 2018

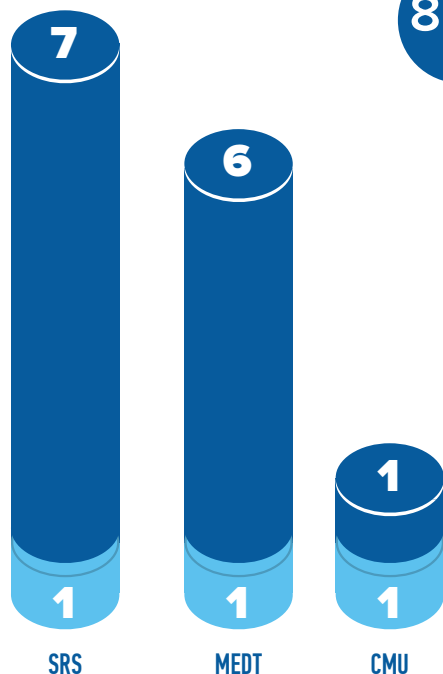
SYSTEMIC REPORT "CONTROL OVER CONTROLLERS: STATUS OF CONTROL BODIES REFORM IMPLEMENTATION"



Total number
of recommendations
issued **11**



 Recommendations subject to monitoring
 Recommendations implemented



- To approve the Methodology for developing criteria for assessing the degree of risk from conducting business activities and determining the frequency of planned state supervision measures (control)
- To introduce a risk-based approach to control (monitoring)



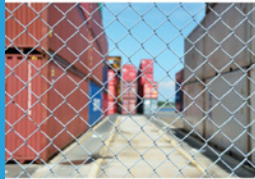
- To develop Integrated Automated System (IAS) on planning of State Supervision (Control) Measures and ensure its functioning
- To consider standardization of documents that the SRS issues in cases of violations by control bodies, licensing and permitting authorities

July 2018

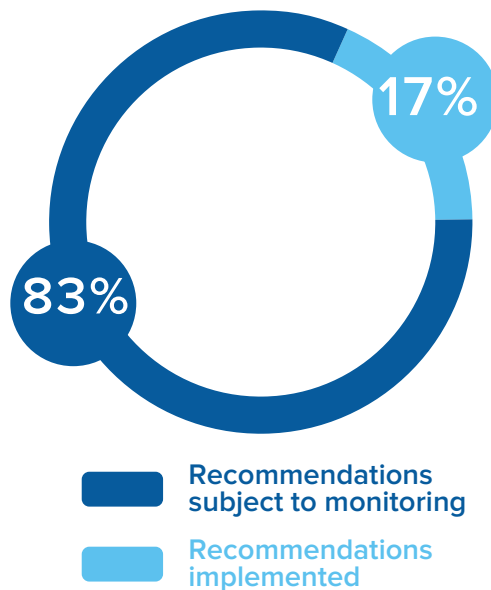
SYSTEMIC REPORT "MAIN PROBLEMS FACED BY BUSINESS IN CUSTOMS SPHERE"

Business
OMBUDSMAN
Council

SYSTEMIC REPORT
MAIN PROBLEMS FACED
BY BUSINESS IN CUSTOMS SPHERE



Total number
of recommendations
issued **23**



MinFin



SFS



MinJust



SSU



MIA



VRU



- To streamline refund of excessively paid customs duties and fees
- To adopt legal framework on authorized economic operators
- To enable customs authorities and declarants to exchange documents issued in electronic form



- To create public register of decisions on classification of goods
- To reform the area of administrative liability for infringing customs rules
- To switch to post-clearance audit as a primary form of customs control

February 2019

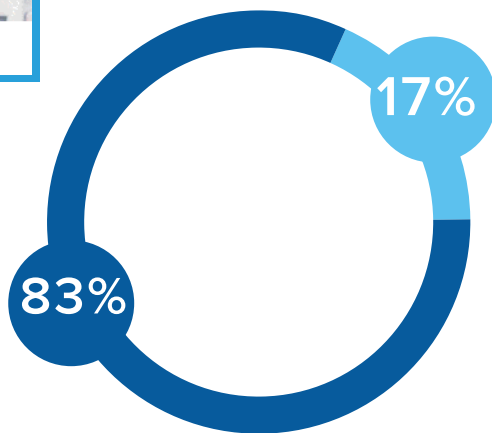
SYSTEMIC REPORT "BUSINESS FOCUS ON LABOR-RELATED ISSUES"

Business
OMBUDSMAN
Council

SYSTEMIC REPORT
BUSINESS FOCUS
ON LABOR-RELATED ISSUES

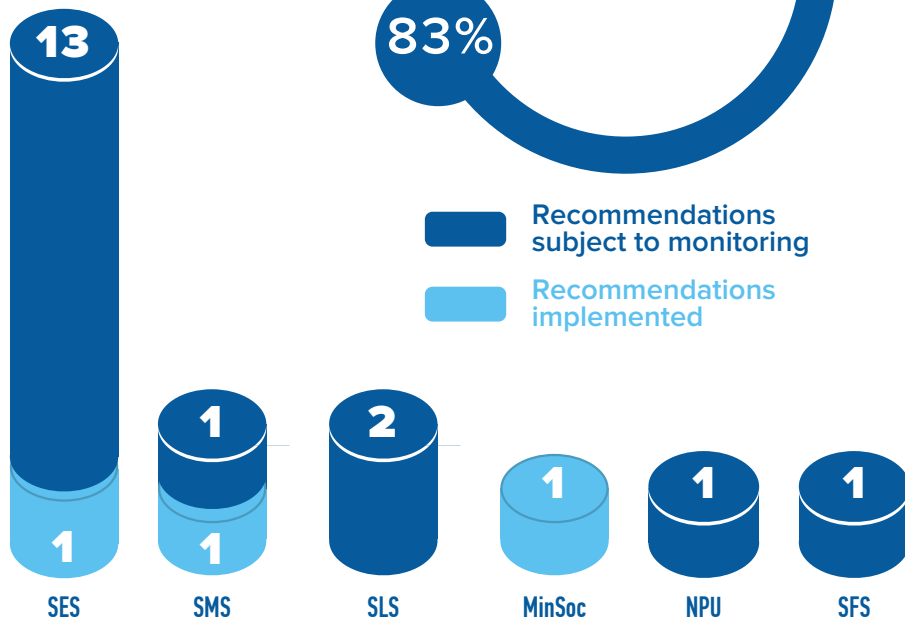


Total number
of recommendations
issued **18**



Recommendations
subject to monitoring

Recommendations
implemented



- To approve Criteria for assessing a risk degree from conducting business activities
- To amend Procedure No.1107 dated October 26, 2011 to clearly specify that violation of labor safety entails refusal to extend the validity period of that specific permit, requirements of which were breached due to a labor safety accident



- To provide the territorial bodies with a guidance for compliance within the process of approval of mining operations development plans
- To develop and submit for respective approval the procedure for interaction between the SLS, the Labor commissions under local governance, and the National Police of Ukraine, when carrying out the state supervision in the labor relations sphere
- To redesign the process of the occupational safety education, amend Model Regulation on the Procedure for Training and Knowledge Assessment on Occupational Safety Issues

July 2019

SYSTEMIC REPORT "ADMINISTRATIVE APPEAL: CURRENT STATE AND RECOMMENDATIONS"

BUSINESS
OMBUDSMAN
Council

SYSTEMIC REPORT
ADMINISTRATIVE APPEAL:
CURRENT STATE AND RECOMMENDATIONS



Total number
of recommendations
issued **54**



To prepare and lodge with the Verkhovna Rada of Ukraine Draft Law of Ukraine "On the Administrative Procedure" (in replacement of the Draft Law No.9456 of December 28, 2018) and, within its competence, to facilitate its adoption in order:

- To enable employing administrative appeal mechanism to challenge not only any decision but also actions and inactions of public authorities
- To set forth the rules governing delegation of powers to resolve administrative cases
- To vest the appeal authority with the right to renew the missed deadline for lodging an appeal at the appellant's request subject to existence of valid reasons
- To foresee mandatory application of the "ratio of confirmation by the courts of decisions made according to the administrative appeal procedure" KPI

100%

Recommendations
subject to monitoring

Recommendations
implemented

53

CMU

1

MEDT