



Business  
**OMBUDSMAN**  
Council



Q1 2022

---

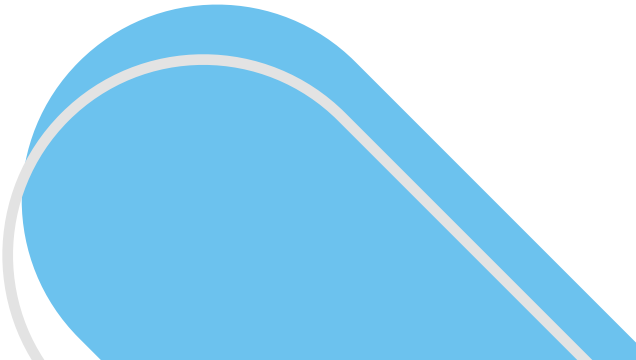
# Quarterly report

January 1 February 24 March 31, 2022



# Content

1	Business Ombudsman Council operations format in wartime	04
2	Key areas of BOC operations	05
3	Analysis of changes in legislation and their impact on business	09
4	Cooperation with stakeholders	10
5	Results of BOC operations from January 1, 2022, till February 24, 2022	13



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



**Roman Waschuk**  
Business Ombudsman

War. It has affected everyone in Ukraine, including the work of our Business Ombudsman Council. This first quarter of 2022 was divided into Before and After February 24. That is why in our shortened report, we primarily describe how we have changed the paradigm and now help Ukrainian business to solve the problems related to martial law – and only then do we go back to the rather active first 8 weeks of 2022, when we reactivated relations with government and business.

The beginning of my term coincided with troubled times. It is in such times that colleagues and the team are put to the test. At this point, I would like to thank our Supervisory Board and especially its Chairman Matteo Patrone, together with the EBRD team, for their unwavering attention to the work of BOC, and understanding for our adaptation strategy. We have opened temporary offices in Poland and in the western part of Ukraine (in Krakow and Ivano-Frankivsk), and through these offices, as well as with remote workers both in Ukraine and abroad, we maintain contact with the Government of Ukraine. At the same time, we use the mechanism of our Krakow hosts at the Office of Poland's Ombudsman for Small and Medium Business to maintain and renew vital cross-border cooperation with this and other EU member states.

In early March, our team launched a helpline to provide legal support to business, which operates in an online format that is timely and accessible during martial law. BOC has also revised its internal regulations to organize appeals consideration process by simplifying the handling of incoming requests, while adhering to standards of integrity.

The International Ombudsman Institute strongly and unequivocally condemned the use of force in settling international disputes. We highly appreciate that the community of Ombudsman institutions confirmed that it stood with the Ukrainian Business Ombudsman Council and saluted the bravery of our team.

I am impressed by the courage of colleagues who went to serve and volunteer. Those of us who continue to advise and assist business also strive for a common ultimate goal: to smooth the path for the approach of Victory, and to lay a good foundation for the economic reconstruction of a free Ukraine with the helping hands of free Ukrainians and partners from around the world.

## 1

# BOC operations format in wartime

Responding to the introduction of martial law in Ukraine, the Business Ombudsman decided to switch activities of the BOC team to a remote mode and started looking for new safe premises for the BOC office.

## Step 1



**In the first week of war, Roman Waschuk met with Adam Abramowicz, the Polish SME Ombudsman (Biuro Rzecznika MŚP).**

The Business Ombudsmen of Ukraine and Poland agreed on cooperation in solving issues of Ukrainian and Polish businesses in wartime. The Biuro Rzecznika MŚP kindly proposed to create a temporary BOC office in its premises in Krakow. In this respect, seven BOC team members were directed to Krakow.

**The second BOC office was organized in the premises of Promprylad.Renovatsia in Ivano-Frankivsk.**

The Deputy Business Ombudsman Tetyana Korotka took responsibility for operations of the BOC representative office in Ivano-Frankivsk.

## Step 2



## Step 3



**Most of the BOC team members are currently working remotely from different parts of Ukraine, some of them are involved in volunteering.**

## Team works

At the same time, the team is holding on steady due to daily staff meetings. The Business Ombudsman continues overall leadership of the Business Ombudsman Council, setting strategic areas and priorities of work, solving and coordinating budgetary and personnel matters.

## 2

# Key areas of BOC operations

Addressing issues of wartime, BOC has reformatted its operations – suspended consideration of business complaints and focused on new strategic areas of work:



Providing assistance to business in trans-border movement of goods between Ukraine and the EU member states



Providing operational support and solving business issues through the BOC helpline. Business entities registered in Ukraine can get help on issues arising from introduction of martial law, interaction with state bodies and local government authorities



## Statement of the International Ombudsman Institute on the escalating humanitarian crisis in Ukraine

The International Ombudsman Institute has strongly and unequivocally condemned the use of force in resolving international conflicts. The community of Ombudsman institutions expressed its support for the Business Ombudsman Council and saluted the courage of its team.

### 2.1 Number of appeals received on helpline

**60** appeals requesting legal assistance



**34** appeals were successfully processed.



Within  
**48**  
hours every applicant was contacted by the BOC investigator.

## Categories of appeals:

25%

20

of business appeals concerned inclusion of goods in the critical import list.

In order to solve such issues effectively, BOC established a mechanism of interaction and communication with the Ministry of Economy.

We help entrepreneurs

- fill in the form to add a new category of goods
- formulate respective arguments
- add our own assessment based on recently approved criteria by the Cabinet of Ministers.

Our algorithm is well practiced – we already helped register three new categories of critical import.

15%

9

referred to business relocation

3

entrepreneurs relocated their business within Ukraine

6

they tried to move business abroad

4

more appeals concerned trans-border logistics

8%

of all appeals concerned mobilization and reservation of critically important categories of workers.

Private legal disputes not falling under our mandate, also hit the TOP-5.



## Categories of appeals:

Critical import

15

Tax issues

4

Border crossing

1

Private legal disputes

6

Issues not related to wartime

3

Foreign economic issues

1

Business relocation abroad

6

Business relocation to other regions of Ukraine

3

Currency regulation

1

Mobilization and reservation of workers

5

Changes in legislation

2

Charity and humanitarian aid

1

Trans-border logistics

5

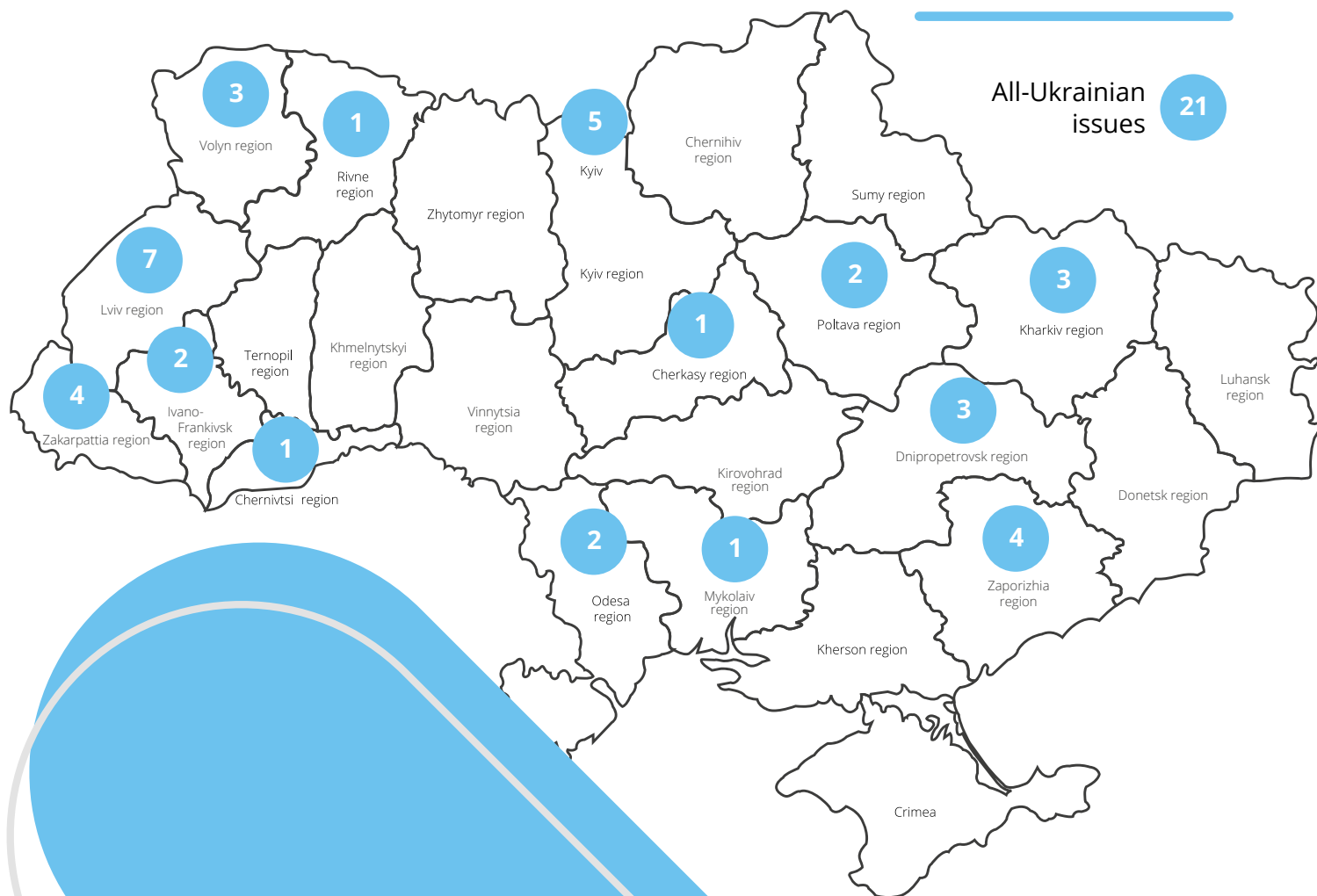
Functioning of state register and registration actions

2

Other issues

6

## Geography of appeals:



## 2.2 Examples of successfully closed cases



Case 1

A **distributor of agricultural machinery**, due to impossibility to use equipment of domestic producers from Kharkiv region for sowing during war, decided to import seeders from abroad. The problem of critical import raised in this case has also become relevant for a **woodworking enterprise**. Because of hostilities and disrupted logistics, the woodworking company could not purchase unprocessed wood from domestic state-owned enterprises, so the company decided to import it from abroad.

The BOC lawyers promptly contacted company representatives and helped them file applications to extend the list of critical import. The Council sent a letter to the Ministry of Economy recommending that seeders and unprocessed timber be included in the list of critical import. On March 19, 2022, the Cabinet of Ministers amended Resolution No.153 of February 22, 2022, which extended the list of critical import goods.



Case 2

The Latvian representative office of the charity organization **“Ronald McDonald’s House”** decided to help Ukrainians affected by the war and provide them with a mobile ambulatory. The charity organization asked BOC to help doctors get permission to cross the Ukrainian border and temporarily import a mobile ambulatory where 7 doctors can work at a time.

BOC promptly contacted the State Customs Service of Ukraine and Shehyni-Medyka checkpoint and discussed the applicant’s issues. As a result, the mobile ambulatory crossed the border flawlessly and started operation.



Case 3

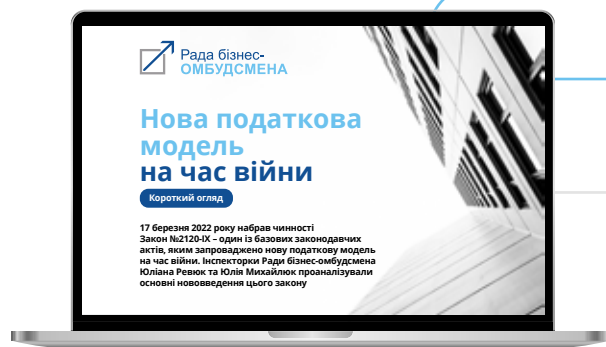
The **manufacturer of trucks “Spetstechservice”** could not start operation of the car for international transportation. The State Service for Transport Safety refused to include the new car make in the carrier’s e-office, referring to mismatch of the car make with that specified in the registration documents. In fact, the company’s vehicle had only a chassis of another brand, based on which it built a full-fledged truck that did not contradict the law. Thanks to communication of BOC with the State Transport Safety Service, the new car make was added to the carrier’s e-office. The company could use the truck for international transportations, including humanitarian aid during the war.



# 3 Analysis of changes in legislation and their impact on business

The BOC team constantly tracks changes in Ukrainian legislation, analyzes their impact on companies operating in Ukraine and communicates with state bodies in charge of implementing novelties to synchronize its analysis according to these changes, as well as shares knowledge with clients.

Apart from updates regarding legal initiatives to support business, we post on BOC social media pages, in March 2022, we prepared and shared among applicants the following information products:



## Brochure

[Read](#)

### "New Tax Model During War"

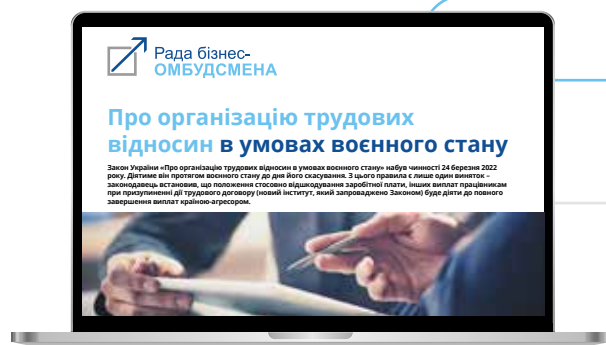
Authors:



Yuliana Revyuk



Yuliia Mykhailiuk



## Brochure

[Read](#)

### "On Organisation of Labor Relations During Martial Law"

Author:



Olena Chorna



## Brochure

### "Memo on Recording Losses Caused by Aggression of the Russian Federation"

Authors:



Tetyana Korotka



Maryna Pavlenchuk



Olena Kutsay

jointly with the EU-funded Pravo-Justice Project

## 4

# Cooperation with stakeholders

## 4.1. Public outreach



11.03.2022

Meeting with the Mayor of Ivano-Frankivsk Ruslan Martsynkiv

**Organiser:**  
Ivano-Frankivsk City Council



11.03.2022

Meeting with Ivano-Frankivsk business representatives

**Organiser:**  
Ivano-Frankivsk business representatives



14.03.2022

Meeting with Huta Łabędy S.A., a Polish state enterprise

**Organiser:**  
BOC

17.03.2022

Meeting with the Head of Chernivtsi Regional State Administration Serhii Osachuk

**Organiser:**  
BOC



15.03.2022

Meeting of the EBRD President with Ukrainian business leaders

**Organiser:**  
EBRD



17.03.2022

Meeting with Polish-Ukrainian projects leaders

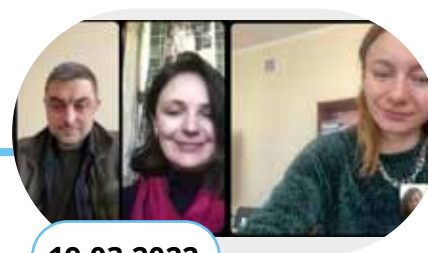
**Organiser:**  
BOC



18.03.2022

Meeting with Ivano-Frankivsk Oblast business and the first relocated business

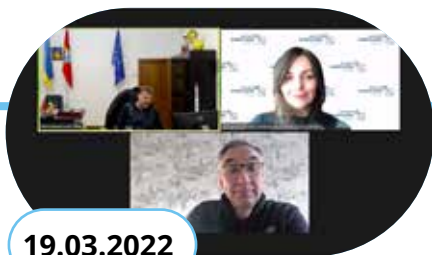
**Organiser:**  
Ivano-Frankivsk Oblast business



19.03.2022

Meeting with Ternopil Regional State Administration management team

**Organiser:**  
BOC



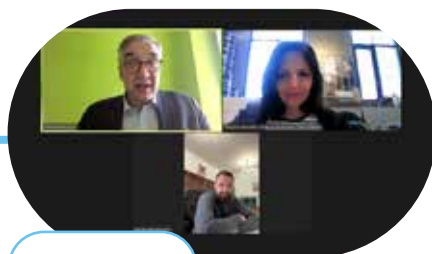
19.03.2022

Meeting with the Head of Zhytomyr Regional State Administration Vitalii Bunechko  
**Organiser:**  
BOC



22.03.2022

Meeting with Ukrainian Network of Integrity and Compliance (UNIC)  
**Organiser:**  
UNIC



29.03.2022

Meeting with the Head of Lviv Customs of the State Customs Service Daniil Menshykov  
**Organiser:**  
State Customs Service



22.03.2022

Meeting with the Head of Krakow Community of the Association Ukrainians in Poland Andrii Oliynyk  
**Organiser:**  
BOC



30.03.2022

Meeting with the Director of the National Bank of Poland Katarzyna Basiak-Gala  
**Organiser:**  
BOC



30.03.2022

Meeting with Acting Chairman of the State Tax Service Tetiana Kirienko  
**Organiser:**  
State Tax Service



31.03.2022

Meeting with the EBRD team: consultations for small business in Ukraine  
**Organiser:**  
EBRD team: consultations for small business in Ukraine



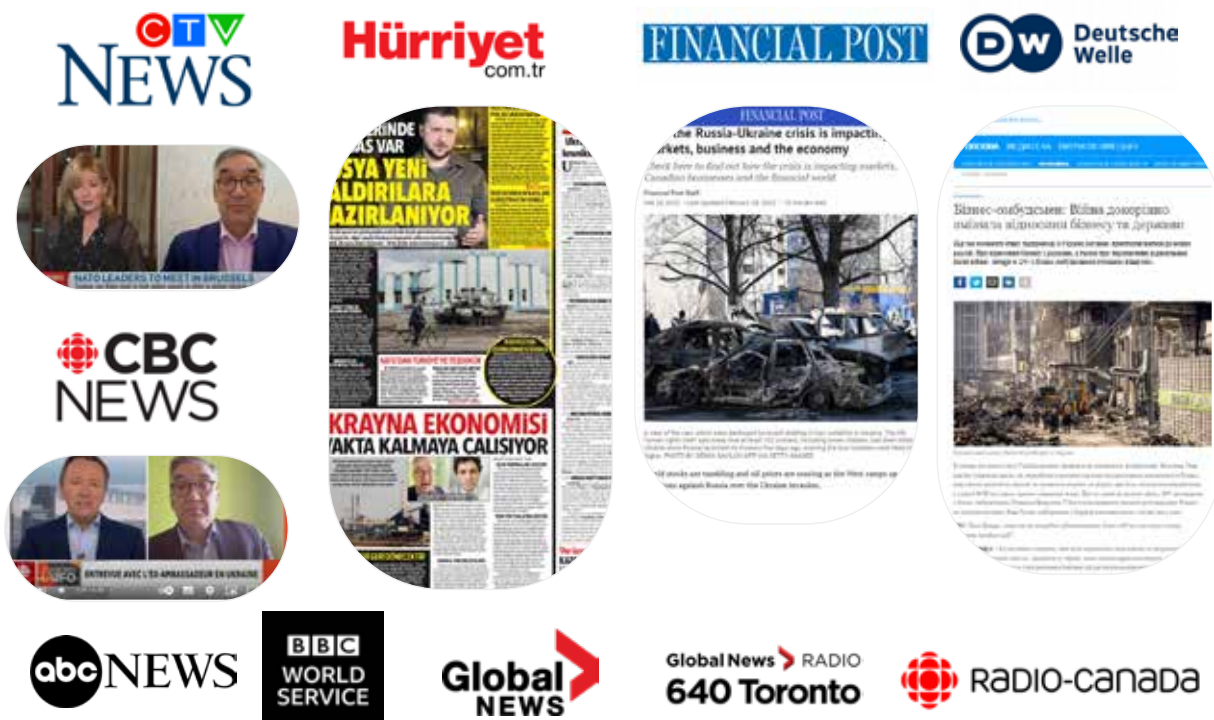
## 4.2. Cooperation with media

In addition to the military and geopolitical issues, commented by the Business Ombudsman in media, BOC focuses on topics of business support and investment protection. Each week, we organize 3-4 media appearances, most of which are conducted online, in order to tell clients and partners about BOC activities, as well as to share expert opinions on current business issues. Since the beginning of war, we have been engaged into over 30 media initiatives with the following partners:

### Ukrainian media:



### International media:



5

# Results of BOC operations

from January 1, 2022, till February 24, 2022

The beginning of 2022 was quite intense for BOC: in less than two months we received 362 complaints and completed investigations of 152 cases. Successful settlement of business issues helped entrepreneurs return and save UAH 3.2 bn.

362 complaints received

152 cases closed

Financial result for business

UAH  
3.2<sup>bn</sup>

89%

individual recommendations of the BOC were implemented by state bodies

97%

applicants were satisfied with cooperation with the BOC

Average duration of preliminary review of complaints –

8.8

days

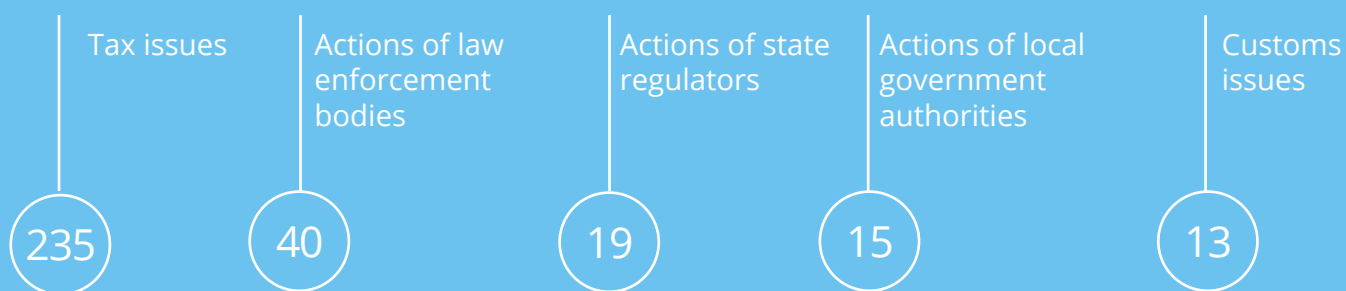
Average duration of investigation

69.2

days



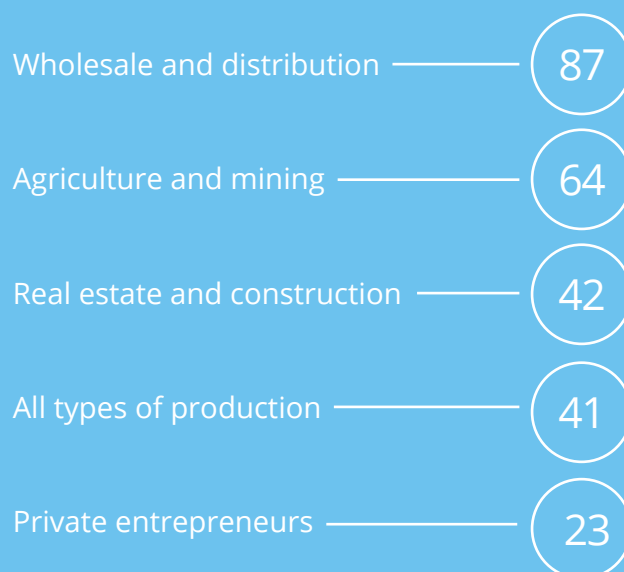
## TOP-5 blocks of complaints



## TOP-5 regions



## TOP-5 industries



## Size of business



## Origin of investment





## 5.1 Some examples of closed cases



SE “Guaranteed buyer” owed UAH 3 bn to **DTEK Renewable Energy (DTEK VDE) Group** of companies for electricity it sold in 2020-2021 at the “green” tariff.

The debt had to be repaid with “green” bonds issued by PJSC “Ukrnerego” under state warranty of Ukraine regarding exclusive target proportional transfer of funds to all renewable energy sources electricity producers (RES). However, funds were received by all producers except for DTEK VDE Group of companies.

The Council found out that DTEK VDE Group of companies had legitimate expectations to get their payment share along with other VDE Producers at the expense of funds withdrawn from sustainable development Eurobonds in November 2021. Debts on the «green» tariff to companies was overdue. The Council calculated the approximate Group of companies debt share was almost 15.5%. The BOC sent its extensive and detailed legal position to state bodies, to state bodies responsible for resolving the complainant’s issue. After two years of negotiations, correspondence and a series of meetings the state enterprise finally transferred UAH 3.03 bn to DTEK VDE.



**A cables importer and distributor** disagreed with the decision of Interdepartmental Commission on International Trade on introduction of a special duty of 23.5% (with further reduction) for a period of three years. The Commission decided to introduce such payment, referring to a sharp increase in imports that would cause significant damage to the national manufacturer and created an imbalance in favor of foreign cable products suppliers to Ukraine.

The Council recommended that the Commission study the materials provided by the complainant and review introduction of a special duty, particularly as regards the exempt countries list. In addition, the Deputy Business Ombudsman reported on the issue raised in the complaint to Taras Kachka, a Trade Representative of Ukraine, Deputy Minister of Economy of Ukraine.

The Commission overturned the decision to impose a special cable duty.



**A company from Lviv region** complained that Lvivgaz Gas Distribution System Operator (Lvivgaz) had incorrectly accounted for gas during absence of gas meter removed for verification. Thus, Lvivgaz calculated the gas amount consumed by the company, based on gas equipment capacity. As a result, the company received a significantly inflated gas bill. Disagreeing with Lvivgaz actions, the company filed a complaint with the NERCUS. The regulator obliged Lvivgaz to cancel gas consumption calculation during the meter verification period. The operator adjusted the calculation. However, it did not take into account three similar consumption periods (March 2018-2020) and used previous three months preceding the calendar removal of the meter.

The Council recommended the NERCUS to objectively and impartially consider the company’s complaint.

Lvivgaz corrected the company’s consumed gas volumes during the meter verification period.



## 5.2. Cooperation with state bodies

**In the beginning of 2022, Roman Waschuk met with key state bodies with which the institution interacts in settling business complaints.**

In particular, to discuss BOC operations and its mission in improving the business climate of Ukraine, the Business Ombudsman met with the Prime-Minister, the Speaker of the Verkhovna Rada and representatives of the Presidential Office.



**On January 26, 2022, Roman Waschuk jointly with the Prosecutor General of Ukraine Iryna Venediktova held an event with 13 leading business associations of Ukraine.**

During the event moderated by the Deputy Business Ombudsman Iaroslav Gregirchak, the Prosecutor General signed the Standards for prosecutors in the sphere of investment protection of which BOC was one of the developers. The Prosecutor General paid special attention of business associations to the role of BOC as an institution through which they have to appeal to the Prosecutor General's Office on issues of their members concerning law enforcement.

**Roman Waschuk conducted introductory meetings with**

- the Prosecutor General's Office,
- the Ministry of Internal Affairs,
- the State Security Service,
- the Bureau of Economic Security,
- the Ministry of Finance,
- the State Tax Service,
- the Ministry of Justice.



Within corruption prevention initiatives, BOC team joined the development of independent external assessment of the National Agency for Corruption Prevention.



12.01.2022

Meeting with the Prosecutor General of Ukraine Iryna Venediktova

**Organiser:**  
Prosecutor General's Office of Ukraine



13.01.2022

Meeting with the Director of the Bureau of Economic Security Vadym Melnyk

**Organiser:**  
Bureau of Economic Security



21.01.2022

Conference "2022 – Time to Credit"

**Organiser:**  
National Bank of Ukraine



20.01.2022

Session "Reforms for Investment in Ukraine" of Ukraine Reforms Conference "A Road to Lugano"

**Organiser:**  
Ukraine Reforms Conference



18.01.2022

Meeting with the First Deputy Interior Minister Yevhen Yenin

**Organiser:**  
Ministry of Internal Affairs of Ukraine



25.01.2022

Meeting with the Head of the State Security Service of Ukraine Ivan Bakanov

**Organiser:**  
State Security Service of Ukraine



27.01.2022

Meeting with the Minister of Finance of Ukraine Serhii Marchenko

**Organiser:**  
Ministry of Finance of Ukraine





27.01.2022

Meeting with Polish business

**Organisers:**

Polish-Ukrainian Chamber  
of Commerce, Polish  
Investment and Trade Agency,  
International Union of Polish  
Entrepreneurs in Ukraine



29.01.2022

Lecture "Promoting Economic  
Growth of Ukraine"**Organiser:**

School for Strategy Architects,  
Kyiv-Mohyla Business School



08.02.2022

Meeting with Acting  
Head of Odesa Customs  
of the State Customs  
Service of Ukraine Vitalii  
Zakolodiazhnyi

**Organiser:**

Odesa Customs of the  
State Customs Service



03.02.2022

Meeting of the Business  
Ombudsman with German  
business

**Organiser:**

AHK Ukraine



31.01.2022

Round table "How to support  
Ukraine and Restrain Kremlin  
Aggression"

**Organiser:**

The Atlantic Council's Eurasia  
Center and Yalta European  
Strategy



03.02.2022

Online meeting of the  
Business Ombudsman with  
representatives of Chamber  
of Commerce and Industry of  
Ukraine, Canada, Great Britain,  
France, Austria and the Ukrainian  
World Congress

**Organiser:**

Canada Ukraine Chamber  
of Commerce



03.02.2022

Meeting with the Minister  
of Justice of Ukraine Denys  
Malyuska

**Organiser:**

Ministry of Justice of  
Ukraine



23.02.2022

International Criminal Law  
Forum

**Organiser:**

Yurydychna Praktyka  
Publishing House

## Cooperation with business associations

In December 2021, Roman Waschuk managed to meet with all business associations that are members of the BOC Supervisory Board (ACC, EBA, UCCI, ULIE, FEU). On February 21, the meeting with CEO Club Ukraine took place.

The Business Ombudsman also conducted a number of meetings with foreign business associations in Ukraine:

	Poland,		UK,
	Germany,		China,
	Canada,		Turkey
	Austria,		

## Regional visits



### On February 1, the Business Ombudsman paid a visit to Odesa.

Roman Waschuk met with the Head of Odesa Regional State Administration, the MD STS in Odesa region, Odesa Customs and representatives of local business. In particular, the Business Ombudsman visited "TIS" private port logistics complex in Yuzhne city.

### During his visit to Lviv (February 15-24), Roman Waschuk met with the City Mayor and representatives of Lviv City Council.

In addition to separate meetings with companies, the Business Ombudsman also had a chance to present the BOC activities to entrepreneurs of Lviv region (West Ukrainian Business Club) and learn about business issues in the region.

## Webinar

27.01.2022

Webinar “How to Establish Effective Interaction with Local Government Authorities”

Watch



**ACC** | AMERICAN CHAMBER  
OF COMMERCE  
UKRAINE

Jointly with the American  
Chamber of Commerce

## Communication and outreach



In the beginning of February, BOC organized a media breakfast with editors-in chief and journalists of the leading media outlets of Ukraine. Over 20 media representatives personally talked to Roman Waschuk about business climate and the current situation in Ukraine, BOC operations, interaction of business with the state and opportunities of solving systemic business issues.



In the peaceful time of Q1 2022, we cooperated with the following media:

### Ukrainian media:

Online and printed media:



**ФОКУС**  
**Forbes**

TV and radio:




### International media:

MONOCLE

El Confidencial



The background features abstract, rounded shapes in blue and white. A large blue shape on the right contains the main text. A white shape on the left is partially visible. The overall design is clean and modern.

**INDEPENDENTLY.  
CONFIDENTIALLY.  
FREE OF CHARGE.**

[www.boi.org.ua](http://www.boi.org.ua)  
[www.facebook.com/  
BusinessOmbudsmanUkraine](https://www.facebook.com/BusinessOmbudsmanUkraine)