



Business  
**OMBUDSMAN**  
Council

# Annual report

2022



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



# Table of Contents

<b>1</b>	<b>BOC work format in the reporting year</b>	<b>05</b>
<b>2</b>	<b>Year in review</b>	<b>06</b>
	2.1 Key performance indicators	06
	2.2 Helpline for entrepreneurs	07
	2.3 Traditional investigations	16
	2.4 Own initiative investigation: SMKOR functioning	26
	2.5 BOC systemic recommendations issued to state bodies in 2022	28
<b>3</b>	<b>BOC's role in Ukraine's integration into the EU and post-war recovery</b>	<b>30</b>
	3.1 The preparatory stage for Ukraine to receive EU candidate status	30
	3.2 BOC's involvement in preparing Ukraine Recovery Plan and fulfillment of obligations for EU membership candidate	32
	3.3 BOC's involvement in reconstruction initiatives (The Peace Coalition, the Rise Coalition)	33
	3.4 Strategizing BOC activities	34
<b>4</b>	<b>Analysis of legislative changes and their impact on business</b>	<b>35</b>
<b>5</b>	<b>Cooperation with stakeholders</b>	<b>37</b>
	5.1 Cooperation with state bodies	37
	5.2 Regional visits	40
	5.3 Online events with partners	41
	5.4 Information project with the State Customs Service	43
	5.5 Cooperation with the Ministry of Economy of Ukraine, the Entrepreneurship and Export Promotion Office and Diia.Business national project	44
	5.6 Newsletter on legal and regulatory issues for SMEs	45
	5.7 Events calendar	49
	5.8 Public outreach	

The abbreviations «BOC» and «Council» are used interchangeably throughout the text of the report to refer to the Business Ombudsman Council.

In cases and feedbacks, published in the report, companies gave permission to disclose their names.

# Foreword



**Roman Waschuk**  
Business Ombudsman

A handwritten signature of Roman Waschuk in blue ink, written in a cursive style.

The year 2022 witnessed an event of planetary-scale significance – russia’s full-scale war against Ukraine, which dramatically shook the state, mobilized the Ukrainian people to resist the aggressor, and set new tasks and challenges for Ukrainian business. After the first week or two of shock, Ukrainian entrepreneurs, both domestic and foreign ones, hardened by decades of crisis began relocating their facilities and restarting business processes.

With the invasion of russia on February 24, the Business Ombudsman Council had to quickly adapt to the business community wartime needs. In early March, we simplified appeal handling processes. We opened Temporary Representative Offices in Poland and in the western part of Ukraine (in Krakow and Ivano-Frankivsk), and thanks to these offices, as well as continuous work of our employees from different parts of the country, we dealt with entrepreneurs’ appeals.

Having put our work on a military footing and added flexibility to our operations, we launched an operational and accessible assistance tool for business during martial law – the Helpline. Within Helpline, we have focused on proactively solving business problems caused by the war, and we also continued investigating cases of state bodies’ abuses. Over the whole period of Helpline operation, the Council received 779 appeals, of which we closed almost 600 investigations, which returned UAH 3.250 bn to enterprises. BOC helped companies expand the critical imports list, advised on legislative changes during martial law, mobilization and reservation of employees, and also supported companies in finding opportunities for relocation to safer regions of the country and abroad. Meanwhile, we used the Polish SME Ombudsman tools, with whom the Council concluded a Memorandum of Partnership and Cooperation, to preserve and refresh vital cross-border cooperation with Poland and other EU member states.

With the resumption of state bodies’ activities, particularly fiscal ones, old practices and problems

returned during the summer. In our ranking, business tax issues again accounted for two-thirds of appeals to the institution followed by law enforcement complaints. We have intensified Expert Groups regular meetings with the State Tax Service and the Prosecutor General's Office to promptly respond to such a change in trends. At the same time, BOC deepened cooperation with relevant state bodies, particularly the STS of Ukraine, and partners in preventively informing business about legislative changes in the tax field. We dedicated two separate series of webinars to clear up taxation legislative novelties and «stumbling points» in tax invoices registration causing dissatisfaction of entrepreneurs.

Shock of the war also reminded us of the need to utilize our professional legal team potential to prepare road maps on how to preserve our business and navigate new unpredictable conditions. The Council issued a number of brochures for entrepreneurs on recording losses, mobilization and requisition of property, changes in employment relations and taxation; developed recommendations for businesses located in Government uncontrolled territories and compiled a list of current business support programs during military operations as a separate brochure.

At the end of the year, we felt a wave of dissatisfaction in the business environment due to the extremely undesirable consequence of the tax system's recovery – massive random tax invoices suspension in SMKOR VAT monitoring system, which (as it seemed) affected almost half of the country's active enterprises. In order to provide an expert assessment and point out solutions to the problems, BOC team developed a new, more concise format of the operational report (10-15 pages, along with key recommendations), and presented preliminary conclusions already on December 24. In them, we confirmed that blocking affected over 40% of active businesses, and that the human factor again tampered with the automated VAT administration system.

We attempted to get the most of Helpline temporary format, as well as improve our more traditional case management system toolkit after seven years of operation. Since mid-November, the Council resumed a full-fledged investigation of business complaints regarding the state bodies malpractice and continued the dialogue with stakeholders regarding plans for the country's recovery from the consequences of the Russian aggression. Taking into account our own strategic sessions conclusions and Ukraine Recovery Conference slogan in Lugano, we will never go back to February 23, 2022.

We used a break from our own traditional procedures for them to be reassessed and rationalized. We call on the state to do the same: to enshrine clear and transparent interaction rules with business to move forward in the fierce struggle for the European future. Meanwhile, the authorities should give clear signals that fiscal- and punitive-based approaches are a relic of the past. For its part, BOC team will do its best to bring Victory closer and lay down business integrity foundation for the economic reconstruction of free Ukraine by hands of free Ukrainians and partners from around the globe.

Among all these ups and downs and changes, perhaps the least significant one is my taking up the position of Business Ombudsman at the very beginning of this fateful year. I behold the sacrifice of our fellow employees who participated in the defense of Ukraine, in volunteering and fundraising in support of those affected by hostilities – and at the same time maintained our trademark high professional level of business services. I thank all of them, as well as partners from the Supervisory Board and the European Bank for Reconstruction and Development, for their understanding and patience in extraordinary circumstances that we will overcome together.

## 1

# BOC work format in the reporting year

The Business Ombudsman Council was welcoming the year 2022 in a peaceful world, but February 24 divided the life of Ukraine into “before” and “after”.

A full-scale invasion of the Russian Federation on February 24, 2022 forced BOC to quickly navigate and accept security and operational challenges. The institution reformatted its operations by transferring the staff to remote, and later hybrid, work mode. The Council’s team joined the volunteer movement while several employees signed up for the Armed Forces of Ukraine and territorial defense.

Safe locations for the office transfer at the beginning of the war were:



## Memorandum of Partnership

In April 2022, the Business Ombudsman of Ukraine Roman Waschuk and Polish SME Spokesperson Adam Abramowicz signed a Memorandum of Partnership. Institutions cooperated in providing assistance to entrepreneurs conducting business in Ukraine and Poland.

### Krakow, Poland.

With the assistance of the Office of the Polish SME Ombudsman, which hospitably offered to accommodate the Council’s team in the Office’s premises in Krakow, the Business Ombudsman opened the BOC Temporary Representative Office.

### Ivano-Frankivsk, Ukraine.

The second BOC Temporary Office headed by the Deputy Business Ombudsman, was located in Promprylad.Renovatsia premises.



## Online team meetings

The team under the leadership of the Business Ombudsman kept in touch daily via online meetings. Despite attacks on the energy infrastructure inflicted by Russia and that the country periodically plunged into blackouts, BOC team continued actively handling business complaints from invincibility aid stations.

## Helpline

The institution responded to new requests from companies related to introduction of martial law by creating an operational Helpline. You can find more information about the Helpline operation on the next pages of the report.

## 2

## Year in review

## 2.1 Key performance indicators

521

appeals  
through the Complaints  
Management System

In 2022, the Business  
Ombudsman Council  
received

1299  
business  
complaints

778

appeals  
received through  
the Helpline

247  
Successfully  
closed  
cases

159  
Cases,  
consideration  
of which was  
terminated

8  
Cases closed with  
a recommendations

754  
investigations  
completed

24  
investigations  
in progress

The financial  
effect for business  
reached

UAH **3.250**  
billion

USD 89 mn

97%

complainants,  
were satisfied with  
cooperating with BOC  
according to replies  
provided in feedback  
forms

Since May 2015,  
companies have  
submitted

10968  
complaints to  
the Council and

58%  
cases  
closed

778  
appeals to  
the Helpline

7310  
investigations  
completed successfully

The total financial  
effect exceeded

UAH **24**  
bn

USD 603 mn

## 2.2 Helpline for entrepreneurs

In a moment, the Russian Federation's full-scale aggression against Ukraine altered business priorities. In the first days and months of the war, entrepreneurs had to survive, save their business and find their way in new realities, where, since February 24, 2022, the martial law introduced by the Government entered into force.

In order to help businesses cope with new challenges brought about by the war, at the beginning of March 2022, the Business Ombudsman Council launched an operational Helpline for entrepreneurs.



**Feedback provided within 24 hours**

The idea of Helpline was to provide an immediate response to business requests. BOC investigators provided feedback to applicants within 24 hours. Within the Helpline, the Council provided oral and/or written advice to entrepreneurs, or initiated an investigation when the appeal needed thorough investigation and further mediation.



**9 months of operation**

The Helpline ran for nine months of the war and ended its operations in November 2022, when the Council rebooted the Case Management System and returned to a traditional investigations format.

From March 9 to November 17, 2022, BOC received

**778**  
appeals on the Helpline

**754**  
investigations completed

**24**  
Investigations in progress

## 2.2.1 Helpline appeals trends

Having felt the realities of Russia's full-scale war against Ukraine, the Business Ombudsman Council not only witnessed new problems of entrepreneurs related to the martial law introduction, but also directly participated in their solution.

### TOP-5 subjects of appeals

Subject	Number (March- June 2022)	Number (July- November 2022)
↓ Critical imports	<b>102</b>	<b>2</b>
↑ Tax issues	<b>40</b>	<b>302</b>
↓ Mobilization and reservation of employees	<b>18</b>	<b>4</b>
↓ Cross-border logistics	<b>10</b>	<b>2</b>
↓ Relocation within Ukraine and abroad	<b>13</b>	<b>2</b>
↑ Actions of law enforcement bodies	<b>7</b>	<b>20</b>
Changes in legislation	<b>6</b>	<b>6</b>
↓ Currency regulation	<b>5</b>	<b>4</b>

### Critical imports

Since the first days of war, BOC began receiving various appeals from entrepreneurs seeking help. Thus, in the first and second quarters (March-June) of 2022, over a third of business appeals to the Council concerned critical imports list expansion. Due to currency restrictions, the business could not make payments for goods under contracts with foreign counterparties.

The Council established an effective interaction mechanism with the Ministry of Economy on this issue. The institution helped business to

make an application to the Ministry, formulating arguments and adding its own legal assessment based on the relevant criteria, after which the Government made a favorable decision to add new goods categories to the list.

On June 24, 2022, the Verkhovna Rada adopted the Draft Law No. 7418, which returned customs duties and VAT taxation on imported goods and customs clearance of cars. Thus, the critical imports expansion issue was no longer so severe.

## Mobilization and reservation of employees

Advice on mobilization and reservation of employees was the second most common category of business inquiries in the early days of the war. The companies did not understand the procedure and criteria for reserving employees. The Council's applicants, particularly companies from manufacturing, IT and creative industries, were threatened with a complete cessation of their activities due to their employees mobilization. The Council explained to such firms which government bodies to contact and how to approve a list of employees for reservation.

## Cross-border logistics

The Council assisted companies in cross-border movement of goods between Ukraine and the EU member states, particularly in matters of arranging logistics for importing and exporting goods. In a separate appeal, BOC contributed to importing humanitarian aid – a mobile ambulatory clinic into the country.



## Business relocation

BOC also received inquiries to support business when relocating to safer regions of the country away from the war zone, as well as abroad. The Council helped entrepreneurs in finding transporters with contacts from their own complainants base.

## Tax issues

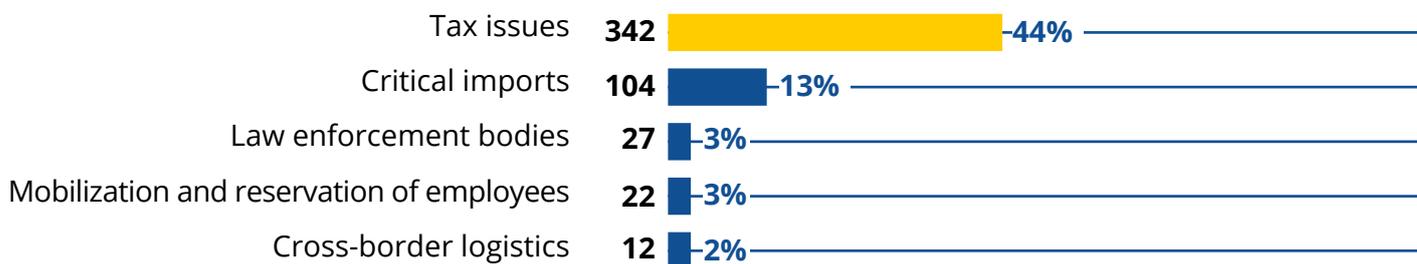
In the first months of the Russian invasion, tax issues in the traditional sense we were used to, were on hold. The state proposed a new tax model during martial law. Therefore, during this period, entrepreneurs mostly turned to the Council for advice on switching to a simplified taxation system at the rate of 2% and sought answers to questions regarding other amendments to tax legislation.

However, with the resumption of the VAT electronic administration system operation at the end of May, since Q3 2022, tax issues have hit BOC top rating of appeals. At that time, "pre-war" business tax issues, such as tax invoices suspension, non-enforcement of court decisions on tax invoices registration and inclusion in risky taxpayers' lists, got relevant. An increase in the number of tax invoices suspension cases subsequently prompted the Business Ombudsman to initiate an investigation into this problem on his own initiative and get back to the traditional investigations format.

Based on appeals topics that BOC received during July-November, or in Q3 and Q4 of 2022 during the Helpline operation, it was possible to observe how companies' problems inherent to the pre-war period became widespread again.

Therefore, in the second half of last year, companies complained the most about tax issues, actions of law enforcement bodies and changes to legislation. Individual companies sought advice on employees reservation and currency regulation.

## TOP-5 subjects of appeals from March to November 2022



**Total for the period: 778 appeals**

Given the general structure of appeals during March-November 2022, tax issues were among the top addressed to BOC. Although their total number was 44% of all appeals during four quarters of last year, from July to December, or in the second half of last year, they accounted for 70% of total complaints to the institution.

## All categories of appeals

(March-November 2022)

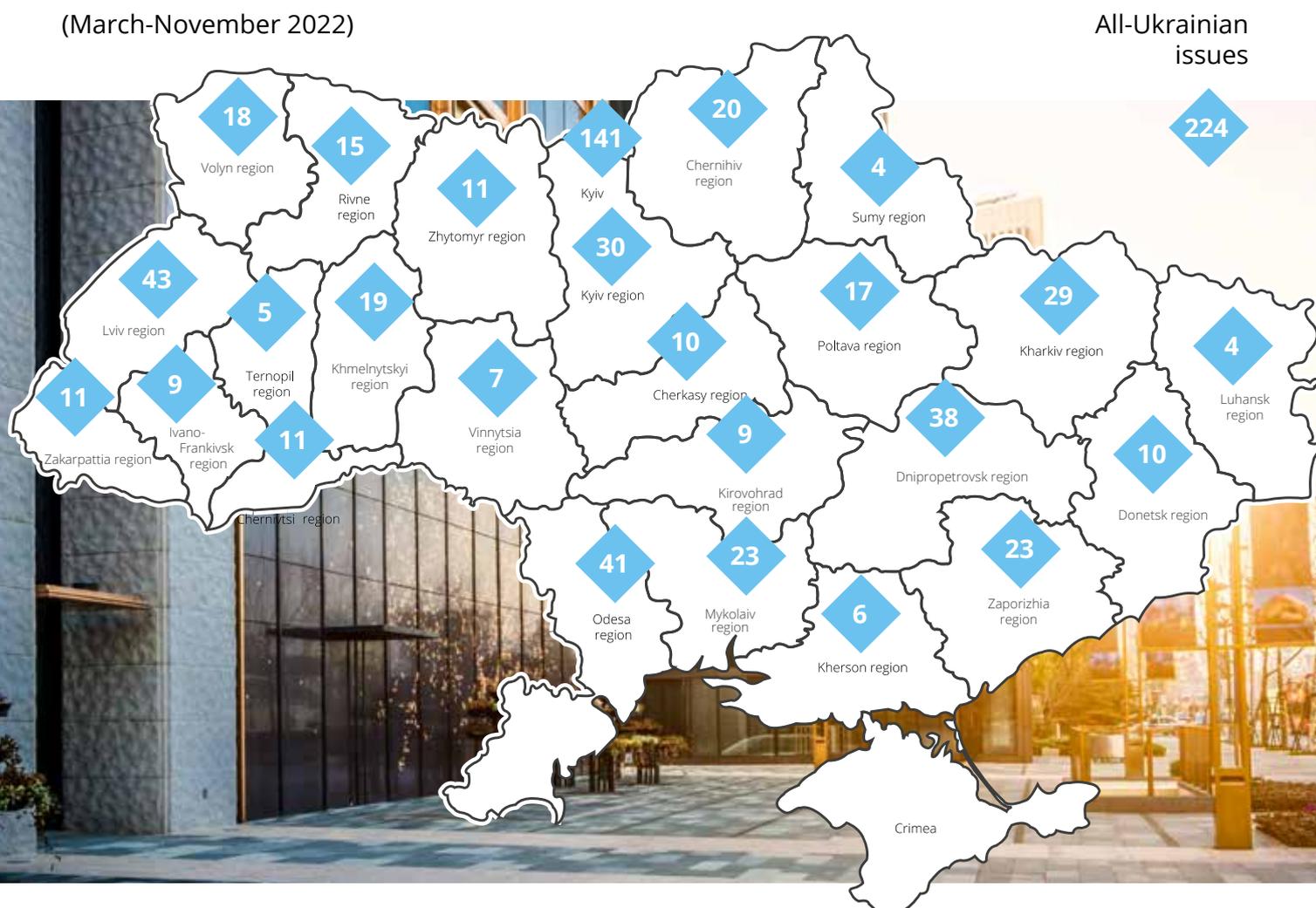
**Total: 778 appeals**

Subject	Number
Tax issues	342
Critical imports	104
Issues not related to martial law	83
Actions of law enforcement bodies	27
Private-legal disputes	24
Mobilization and reservation of employees	22
Cross-border logistics	12
Changes in legislation	12
Border crossing	12
Currency regulation	9

Subject	Number
Business relocation abroad	9
Foreign economic issues	7
Relocation of business to other regions of Ukraine	6
Functioning of state registers and registration actions	5
Searching for business partners	4
Determining the damages amount/compensation	3
Funding and grants	3
Logistics within Ukraine	2
Charity and humanitarian aid	1
Other	91

## Geography of appeals

(March-November 2022)



### 2.2.2 Examples of Helpline cases

(March-November 2022)

#### Cabmin extends critical imports list



An agricultural equipment manufacturer intended to supply the foreign equipment for a sowing campaign to Ukraine. He could not purchase equipment from national manufacturers because they were located in the regions where active hostilities were taking place. At the same time, a woodworking enterprise could not purchase raw wood from state enterprises from other regions due to disrupted logistics. Both companies experienced difficulties with settlements for imported goods.

The BOC investigators helped companies to draw up applications regarding inclusion of goods categories in the critical imports list. The Council sent a letter to the Ministry of Economy in which recommended to include planters and unprocessed timber products in the critical imports list.

On March 19, 2022, the Cabinet of Ministers amended the Resolution No. 153 On March 19, 2022, the Cabinet of Ministers introduced amendments to the Resolution No. 153 of February 24, 2022, which expanded the critical imports goods list.

## New categories of goods included in critical imports



Since the beginning of the war, cast-iron movable wood stoves began to be in great demand among the military and migrants from the war zone. The main part of stoves in the Ukrainian market is supplied by foreign manufacturers. However, the company was unable to pay for them, because this type of goods was not included in the critical imports list.

Despite the necessity of buildings and infrastructure restoration from destruction, bricks were also off the list. Meanwhile, a German equipment manufacturer and distributor informed the Council that Ukrainian industrial and metallurgical enterprises had a request for foreign machine tools, industrial vacuum cleaners, topographical devices and tools.

In all cases the BOC investigators advised the companies on how to draw up applications to include these categories of goods in the critical imports list. The Council recommended the Ministry of Economy supplement the Cabinet of Ministers Resolution No. 153 by respective categories of goods. As a result, the Cabinet of Ministers expanded the critical imports list.

## A private entrepreneur switched to a single tax at a rate of 2%



The BOC investigators consulted a private entrepreneur from Chernihiv (the city which survived the siege) via the Helpline regarding transition to a simplified taxation system from a 5% to 2% rate. They explained that for the transition to a single tax payment at the 2% rate during the martial law, a state of emergency, a private entrepreneur has to submit an application to the local tax service at the place of registration or a nearby supervisory authority. The investigators advised how to correctly fill out the application and informed the entrepreneur about the terms of transition to the simplified system at the 2% rate. As a result of the consultation, the entrepreneur submitted an application via electronic e-office and switched to a simplified system at the rate of 2% of income. The applicant was rendered a free BOC service. The business was saved.

## Tax service admits collection orders were erroneous



The company informed BOC that the MD STS in Kyiv did not take into account the court's decision to write off the company's tax debt, which entered into force in November 2021. In particular, at the end of May – beginning of June 2022, the MD STS in Kyiv began sending collection orders to the company's servicing bank for forced debt collection.

BOC held a conference call with the MD STS in Kyiv representatives and the applicant. During the discussion with the company through the BOC mediation, the tax authority confirmed it "ticked" the court's decision for itself by attaching it to the case file. The tax authority admitted that collection orders were erroneous and assured that a formal decision on writing off the accounted debt would be made soon.

## A truck crosses Polish-Ukrainian border



Due to Ukrainian Black Sea ports having been blocked by the occupant, goods of the repair and construction equipment manufacturer, which he imported from abroad, was sent to Ukraine in transit through the Romanian Port of Constanta. Romanian customs officers refused to ship two containers with cargo restraints – the goods got stuck in the Romanian port for a month. After receiving a call on the Helpline, the Council communicated with the Port of Constanta administration. As a result, two containers with the goods were unloaded and sent to Ukraine by road.



I would like to express my gratitude to BOC team for their efforts and work done in resolving my issue. The error in the urban planning conditions was corrected by KMDA decision. I would like to emphasize that it was simply impossible to resolve this issue without the help of the Business Ombudsman.

**BOC complainant**

## A furniture manufacturer receives VAT refund worth over UAH 5 mn



A Danish upholstered furniture manufacturer complained to BOC Helpline about the delay in VAT refund for January 2022 amounting to over UAH 5 million.

The Council found out that the State Treasury Service of Ukraine (STSU) did not make any payment due to lack of information on the payer's bank account details in the Register of Budgetary VAT Refund Register (Register). The BOC brought up the company's complaint for consideration by the Expert Group with the State Tax Service of Ukraine (STS) and also initiated a discussion within the tax communication platform under the Main Department of the STS in Lviv Oblast.

Thanks to the Council's mediation, the company received a VAT refund in full.

## Ministry of Economy reserves 11 employees of an enterprise



A woodworking enterprise informed BOC about the mobilization of a large part of the male staff, due to which production of barrels and enterprise operations could be completely stopped.

The enterprise received a detailed consultation from the Council on the procedure for reserving employees who had not been mobilized yet, on deferment based on Art. 23 of the Law of Ukraine "On Mobilization Preparation and Mobilization". The enterprise submitted an application to reserve his employees to Zakarpattia Military Administration. After approval of the employees list with the Ministry of Defense, the Ministry of Economy reserved 11 employees for the company.

Thanks to the Business Ombudsman Council's team efforts, their constructive position, knowledge of legislation, judicial and administrative practice, effective communication with the MD STS in Kyiv, the company's violated rights were protected. The STS of Ukraine/MD STS in Kyiv executed court decisions on tax invoices registration.

**ZMINA LLC**

## Consultation on reservation of studio workers



An enterprise producing a variety of video content and video advertising in its own studio appealed to BOC. Since the company has a limited number of technical specialists who can work at the studio, it decided to reserve the said employees.

The applicant asked BOC for advice in choosing a state body for submitting a proposal for reserving conscripts. The investigator detected the enterprise had no clear affiliation to a certain ministry, so she recommended that the company should contact the military administration at the enterprise's place of registration to reserve employees.

Given that the company is registered in Kyiv, the investigator recommended that it submit proposals for reserving conscripts to Kyiv City Military Administration and sent it an explanation on the procedure for submitting proposals through the mentioned military administration.

## A truck crossed Polish-Ukrainian border



A Mariupol transport company truck was on Belarus territory on the first day of the war. Having escaped from the Mariupol basements after 25 days of bombardment, the owners managed to transport the truck abandoned in Belarus to the territory of Poland. However, at the Polish-Ukrainian border at the Hrebenne-Rawa Ruska checkpoint, the vehicle was detained for six days. Polish border guards did not want to let the truck back into Ukraine without a stamp of departure from Ukraine. In particular, for this the company was threatened with a fine of PLN 12k (UAH 84k!).

Having joined efforts with representatives of the Embassy of Ukraine in Warsaw, the Council held talks with the Ministries of Infrastructure and Customs Services of both countries. The Business Ombudsman managed to persuade Polish customs officers to let the truck home without unnecessary bureaucratic procedures.

## An enterprise moves production to Ivano-Frankivsk region



The production of the hydraulic systems for agricultural equipment and military armored vehicles developer and distributor was located in Kharkiv where active hostilities had been going on since the first days of the war.

The company applied for participation in the state business relocation program from the combat zone, having found new premises in Ivano-Frankivsk region. However, it turned out that Ukrposhta did not have enough capacity to organize transportation of the company's production.

The BOC investigator provided the company with a contact base of logistics companies that could move Kharkiv's hydraulics production. As a result, with the help of one of the carriers, the company was successfully relocated to Ivano-Frankivsk Oblast.

## Medical University opens a branch in Poland



Since the war began, one of Ukraine's largest private medical universities decided to open a branch in Poland to continue training future medical professionals – its international and Ukrainian students.

Having received an appeal on the Helpline, the Business Ombudsman and the investigator held several online meetings with the medical university administration. As a result, the university developed an action plan to create a branch in the Republic of Poland.

BOC appealed to the Ministry of Economy and the Ministry of Education and Science of Ukraine and helped the university obtain the necessary documents to open a branch.

At present, the Medical University successfully approved creation of the branch with the Ministry of Education and the Ministry of Foreign Affairs of Poland. The university started on-site training of students in Poland in September 2022.

### 2.3 Traditional investigations

BOC suspended traditional investigations in complainant's cases due to invasion of the Russian Federation in Ukraine on February 24, 2022. At the same time, the institution launched a Helpline that served as a channel for interaction and providing help to Ukrainian business. Only an update of the Case Management System (CMS) and gradual changes in appeal trends to the institution allowed the Council to restore traditional cases investigation according to the Rules of Procedure dated November 17th, 2022.

Apart from Helpline appeals,  
in the reporting quarter BOC  
received

521

complaints  
through CMS

During September-December 2022, the Council completed the inventory of cases, consideration of which stopped on February 24, 2022. Therefore, except for complaints received by the institution through Helpline and CMS, BOC additionally processed **290 cases** and successfully closed **164 investigations**.

247

investigations  
successfully  
closed

159

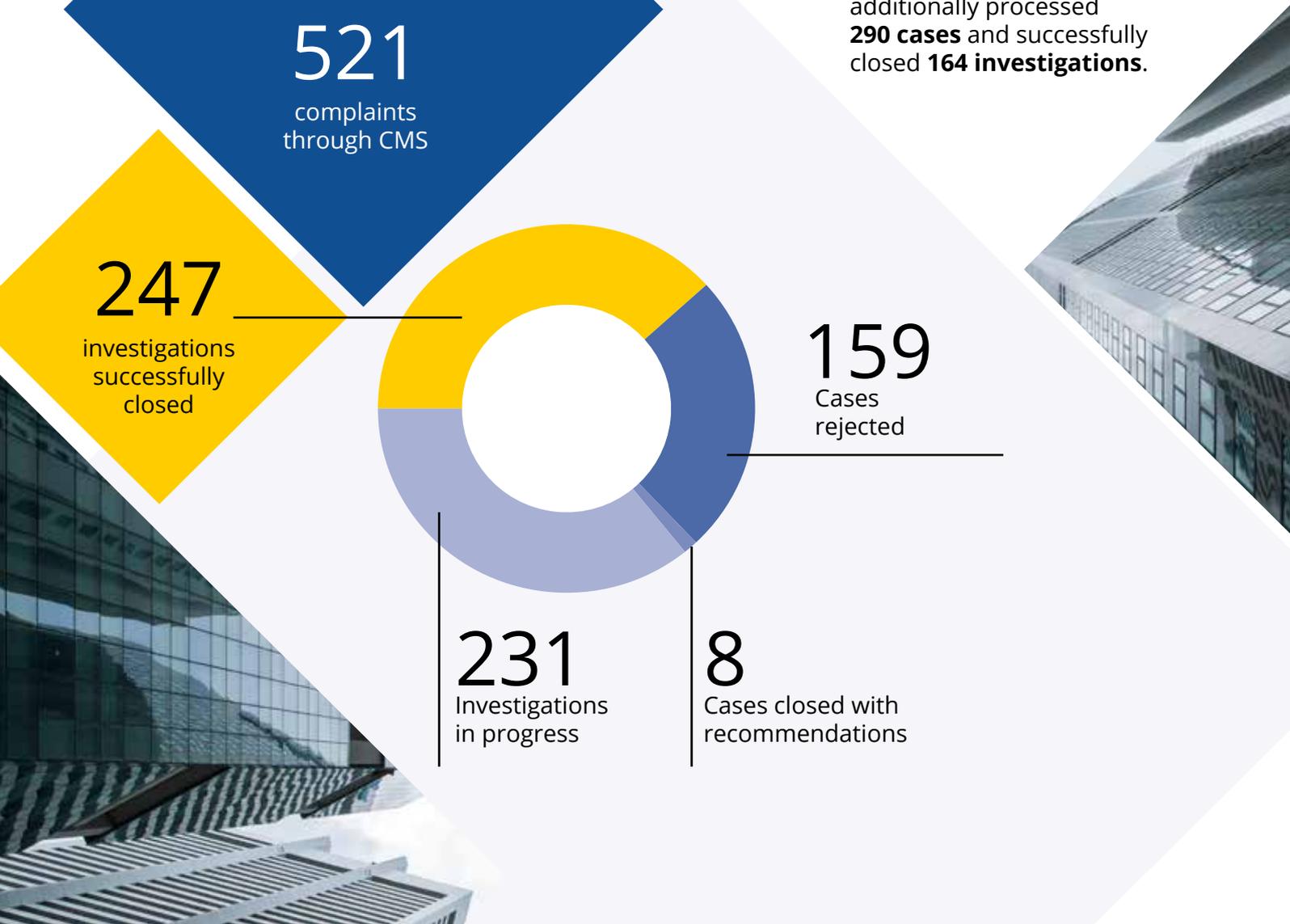
Cases  
rejected

231

Investigations  
in progress

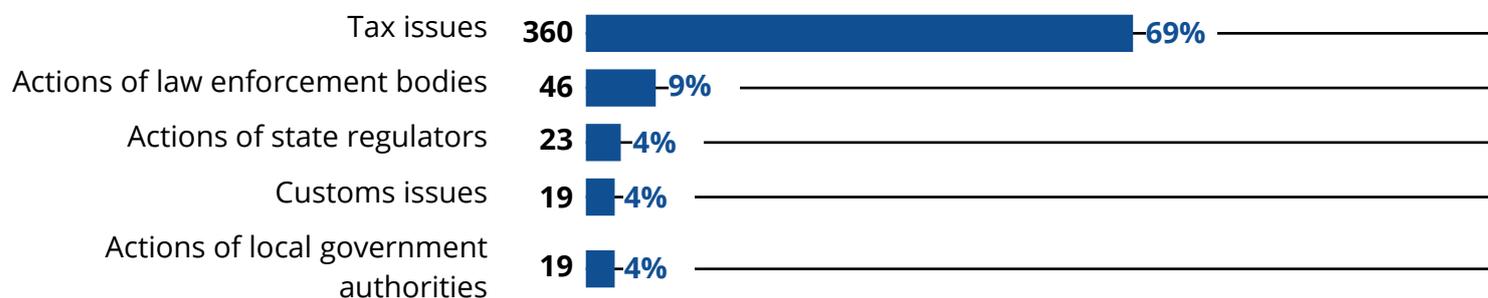
8

Cases closed with  
recommendations



## TOP 5 subjects of complaints

(January 01 – February 24 and November 17 – December 31, 2022)



**Total for the period: 521 appeals**

## TOP 10 government agencies subjects to the most complaints

(January 01 – February 24 and November 15 – December 2022)

Subject	Number
State Tax Service	360
Prosecutor General's Office	21
Local government authorities	19
National Police	19
State Customs Service	19
State companies	11
Ministry of Justice	11
Parliament, the Cabinet of Ministers, the President of Ukraine	11
Ministry of Economy	7
Security Service of Ukraine	4
State Labor Service	4

## Timelines of the preliminary review of complaints

The average time for preliminary review of a complaint in 2022 was

**8.9**  
days

For reference, according to our Rules of Procedure, the time for preliminary review should not exceed 10 working days.

## Reasons for complaints dismissal

Subject	Number
Complaints outside Business Ombudsman's competence	<b>114</b>
Complaints subject to any court or arbitral proceedings, or in respect of which a court, arbitral or similar type of decision was made	<b>36</b>
In the opinion of the Business Ombudsman, the Complainant did not provide sufficient cooperation	<b>14</b>
In the opinion of the Business Ombudsman, the Complaint has no substance	<b>7</b>
The complaint solved without BOC interference	<b>6</b>
Other circumstances where the Business Ombudsman, in his sole and absolute discretion, determines that an investigation of the complaint is not necessary	<b>5</b>
The complaint was withdrawn	<b>4</b>
A complaint relates to an issue that has already been addressed by the Business Ombudsman	<b>4</b>
A complaint filed repeatedly after being decided by the Business Ombudsman to be left without consideration	<b>2</b>
Complaints in connection with the legality and/or validity of any court decisions, judgments and rulings	<b>2</b>



### 2.3.1 Examples of closed cases – traditional investigations

#### UAH 3 bn of the «green» energy debt returned to DTEK VDE Group companies



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 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.

#### Special duty on cable imports to Ukraine cancelled



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.

## NERCUS case: error in calculating consumed gas amount corrected



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.

## The STS excludes Kharkiv company from risky list



A company from Kharkiv Oblast established in the midst of war in summer and producing pasta products complained to the Business Ombudsman Council. The company reported that immediately after launching operations, the tax authority blocked its tax invoices and put the company on risky taxpayers' list. Although the applicant tried to provide an explanation of his not being risky to the tax authority, it was not enough.

After turning to BOC for assistance, the company received advice on the procedure and list of documents to be submitted to the tax service to be excluded from risky ones.

After the investigator processed the application, the company resubmitted a package of necessary documents. As a result, the Tax Service excluded the enterprise from the risky list.

## Tax service admits collection orders erroneous



The company informed BOC that the MD STS in Kyiv did not take into account the court's decision to write off the company's tax debt, which entered into force in November 2021. In particular, at the end of May – beginning of June 2022, the MD STS in Kyiv began sending collection orders to the company's servicing bank for forced debt collection.

BOC held a conference call with the MD STS in Kyiv representatives and the applicant. During the discussion with the company through the BOC mediation, the tax authority confirmed it "ticked" the court's decision for itself by attaching it to the case file. The tax authority admitted that collection orders were erroneous and assured that a formal decision on writing off the accounted debt would be made soon.

## Investigators return property to a pet food producer



A pet foods producer complained to the Business Ombudsman Council that law enforcement officers did not return seized property.

It is known that investigators conducted a search on the office center territory where the applicant rented premises. The reason for such actions was the investigation of the case on the illegal handling of weapons, ammunition or explosives allegedly illegally stored in the office center. Despite the fact that the applicant company had nothing to do with the criminal proceedings, law enforcement officers seized its property and did not return it. The company tried to challenge the investigators' actions, but to no avail. Until recently, the company did not know whether an order on its property arrest ever existed.

The Council conducted its own investigation into the case and brought up the company's complaint for the Expert Group consideration between the BOC and the Prosecutor General's Office. Thanks to the Council's mediation, the PGO agreed to return the seized property to the enterprise, which was eventually confirmed by the applicant.

## Practical advice on taking steps in case of property destruction



An Odesa-based company purchased construction materials by pre-order from its counterparties and temporarily stored them in warehouses near Kyiv. As a result of military operations in February, warehouses and imported building materials were destroyed. The applicant's counterparties began demanding from him to return funds paid for the undelivered construction materials destroyed by the Russian military. As a result, the company found itself in a difficult financial situation.

The investigator consulted the applicant, explained the essence of the norms approved by the CMU in Resolution No. 326, and provided practical advice on recording damages caused to him.

The Council also recommended that the enterprise obtain a certificate from the Ukrainian Chamber of Commerce and Industry confirming that breach of obligations to the counterparty occurred as a result of force majeure. The said UCCI certificate will make it possible to confirm the fact of force majeure and release the Applicant from liability for breaching contractual obligations to counterparties (imposition of fines, penalties, etc.).

The written and oral consultations provided by the Council allowed the company to continue negotiations with its counterparties to find a mutually beneficial solution in the circumstances that arose as a result of force majeure.

## Pressure on a company by the local military administration stopped



The Working Group, created by the Regional Military Administration, performed inspections on the quality of water in the ponds in which a large Khmelnytskyi region company and also an active volunteer of the Armed Forces of Ukraine bred fish. According to its conclusions, the water condition in the ponds was unsatisfactory. Meanwhile, the Working Group also initiated an audit of the company's payment of rent and land tax to the budget. The company considered simultaneous initiation of several inspections against it as a manifestation of pressure on business.

While communicating with the Regional Military Administration Deputy Head, the Council drew his attention to the CMU Resolution on inspections suspension during martial law. The RMA informed the Council it did not authorize the Working Group to inspect the enterprise.

The applicant confirmed that after the BOC intervention, the pressure on his business ceased.

## Entrepreneur receives correct document with construction requirements from Kyiv City State Administration



Back last year, a private entrepreneur, and later our complainant, was going to reconstruct a non-residential premises for an office. For this purpose, the Department of Urban Planning and Architecture of Kyiv City State Administration (KMDA Department) had to issue a document to the entrepreneur with design and construction requirements (urban planning conditions and restrictions). The complainant finally received that document, but there was no premises address in the «object name» field where he planned to perform construction works. Therefore, the entrepreneur could not start them.

After processing the private entrepreneur's appeal, in a letter to the KMDA Department, the Council asked to amend the document and duly indicate the reconstruction object location. However, in reply, KMDA Department only informed BOC about additional bureaucratic steps being taken to correct the error. After that, BOC brought up the complaint for expert group consideration with KMDA. Although the complainant's issue resolution was somewhat set aside due to the war, we recently received good news from the entrepreneur – the KMDA Department finally corrected the error in an urban planning conditions and restrictions document.



FTH LLC is sincerely grateful to you for your assistance in signing a sulfuric acid purchase contract with a Polish company. The first batch crossed the Ukrainian border. We hope that thanks to goods delivery from Poland, Ukrainian factories will be able to work smoothly during martial law.

**FTH LLC team**

## The STS confirms a company's right for VAT refund



A foodstuffs distributor complained to the Business Ombudsman Council that the Main Department of the State Tax Service (MD STS) in Volyn Oblast delayed the court decision execution and did not enter data on the agreement of VAT refund amount into the register.

It is known that the tax authority refused to refund VAT totaling almost UAH 94k to the company. The court found such regional tax authority's actions illegal and cancelled the respective notification-decision.

To help the complainant, the Council brought the case for consideration of the Expert Group with the STS of Ukraine. As a result of the meeting, the MD STS in Volyn Oblast informed of the court decision execution. The applicant confirmed the fact of entering data on the agreement of budget VAT refund amount worth UAH 94k into the register.

## A company does not violate customs rules



A Ukrainian-Belgian OTS-UKRAINE Ltd. enterprise importing and producing industrial adhesive tapes complained to the Business Ombudsman Council that Lviv Customs thrust customs rules violation on the company.

According to the customs authority, the company was trying to illegally reduce the customs fees amount by indicating the wrong Ukrainian Classification of Goods for Foreign Economic Activity (UCG FEA) code.

The BOC came to the conclusion that the company did not violate customs rules, and all the complainant's documents contained true information about the goods.

In an appeal to Lviv Customs, the Council emphasized that the company's cargo had been successfully cleared, while the documents drawn up by the customs confirmed information correctness.

After BOC intervention, Lviv Customs agreed that the company did not violate customs rules and closed the case.



Attention, professionalism, personal involvement and hard work of BOC team is the key to the successful protection of violated rights of our company and an inspiring factor for our company, which is convinced that there are impartial professionals in their field who are ready to come to the rescue of business in relations with state bodies and defend a position persistently and firmly.

**Megawatt Ukraine LLC**

## The STS cancels a company's fine



A freight carrier complained to BOC that, based on the office audit findings, the tax authority increased the VAT monetary liability amount by UAH 5k.

It is known that the company made a mistake in the VAT return and, subsequently, the tax liability amount was overstated in the adjustment calculation. On the same day the company submitted a new adjustment calculation, which corrected the self-discovered error. However, the tax authority did not change the decision on the company's fine.

The Council turned to the State Tax Service of Ukraine and noted that since the company corrected the technical error on its own and in a timely manner, and it did not result in tax liabilities understatement, it could not be the ground for charging a fine. After Council's involvement, the STS of Ukraine dropped the fine for the company.

## Kyiv City State Administration transfers land plot for lease to a company



Back in 2018, the complainant purchased a ready-made car service building for doing business. At the same time, the mentioned building was located on Kyiv city municipal property land. Therefore, the company had to re-register the land plot lease. However, it faced bureaucratic red tape: the draft decision on the land lease transfer to the company was prepared back in 2019 but never approved.

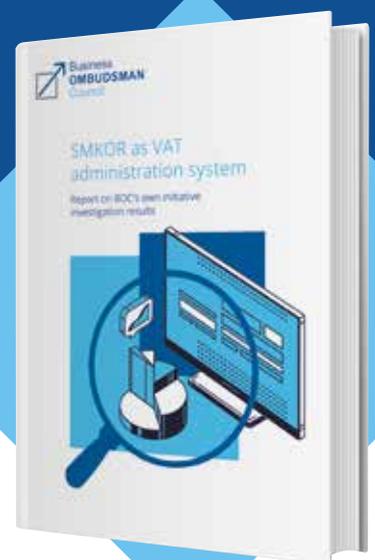
After processing the company's complaint, the Council turned to the Permanent Commission of Kyiv City Council on Architecture, Urban Planning and Land Relations (Commission) and asked to impartially and promptly consider the draft decision on land lease transfer to the company. After that BOC also brought up the complaint for consideration of the Expert group with Kyiv City State Administration (KMDA). Some time after the meeting, KMDA decided to transfer the land plot for lease to the complainant.

## 2.4 BOC's own initiative investigation: SMKOR functioning

With the resumption of the System of automated monitoring of tax invoices' compliance with risk criteria (SMKOR) functioning in May 2022, suddenly there was a surge in the number of tax invoices suspension cases. Tax complaints hit the top of BOC rating reaching over 70% of total appeals in the second half of the reporting year. The business, being concerned about the situation threatening with complete cessation of economic activity, as well as the public and expert community demanded an impartial assessment and BOC immediate reaction to problems in the electronic VAT administration system. On December 5, 2022, the Business Ombudsman initiated the first ever investigation on his own initiative in the BOC history to find out what exactly hindered responsible businesses operations during ongoing war.

The investigation was aimed to outline the real problems of SMKOR operation; provide recommendations to the state and business; elaborate effective solutions to settle the problem highlighting the need for further legislation improvement.

As part of the investigation, during December 2022 BOC:



- offered over 70 business and professional associations of Ukraine to participate in the survey on SMKOR functioning;
- requested official data from the authorities to establish causes of abnormal problem escalation and reaction of different state bodies to it;
- started systemic analysis of about 1.5 k cases regarding shortcomings in the SMKOR operations, which were under the Council's consideration during the last four years;
- updated proposals of reforming the SMKOR provided by the Council back in 2020 and drew attention to a number of proposals, particularly within the Working Group under the Ministry of Finance of Ukraine dealing with issues of improving provisions of Resolution No. 1165;
- started researching international experience, particularly success of Poland, a strategic partner of Ukraine in narrowing "VAT compliance gap" and initiated exchanging such experience of its potential application in our territory;
- initiated a dialogue with representatives of different government branches on improving application of Resolution No. 1165 provisions.

**The preliminary investigation results were published by the Council at the end of December 2022 in the press release.**

Given SMKOR functioning peculiarities analysis performed, the Council identified the following negative trends:

1

In Q4 2022, changes to the legislation, particularly to the Cabinet of Ministers Decree No. 1165, caused unpredictable and unforeseeable results by the state. From now on, businesses have to submit extensive additional documentation.

2

The haste to change SMKOR functioning algorithms was inexplicable. SMKOR algorithms are not fine-tuned enough themselves, thus causing tax invoices suspension for responsible business. Submitting one package of documents takes an unreasonably long time.

3

Since SMKOR system launch, the source of problems has been the lack of due substantiation of the tax authority decisions (particularly regarding the reasons for blocking invoices, inclusion in risky taxpayers lists, etc.). Businesses have to spend time on clarifying case circumstances.

4

The state fills the budget at the expense of enterprises' turnover funds. The buyer of goods/ services is not entitled to a tax credit until the invoice is registered and the state does not compensate economic costs for it.

The Council prepared a respective list of systemic recommendations to state bodies to improve the situation and will share final investigation results in the upcoming reports.

## 2.5 BOC systemic recommendations issued to state bodies in 2022

Along with the full-scale aggression of the Russian Federation against Ukraine, the priorities and reforming directions, which Ukraine followed in peacetime, have radically changed. The state faced an issue of the fastest possible victory over the aggressor and effective reconstruction and recovery from the consequences of the war in the future.

The Business Ombudsman Council continues to closely monitor systemic recommendations to state bodies presented in the reports during seven years of its operations.

The Council considers it important to implement all proposed changes, but understands the reasons for postponing these issues. In view of the ongoing war, BOC also had to change the emphasis in its work. Therefore, the institution updated the list of systemic recommendations, which remained relevant in wartime. The Council included these recommendations in 2021 Annual report published at the end of 2022 due to the Russian invasion. Since, as of April 2022, no progress has been observed in implementation of the mentioned recommendations in such a short period of time, we would like to emphasize the need

for the Government to take into account the recommendations aiming to contribute to improving conditions of doing business in the country resisting the Russian aggressor.

Eliminating regulatory deficiencies in the field of the rule of law, particularly in enforcing court decisions and administering taxes paid by business, will allow to overcome one of the main corruption obstacles on Ukraine's way towards the EU and fulfill its European integration obligations undertaken under the EU-Ukraine Association Agreement and granted EU candidate status.

BOC will continue monitoring implementation of these systemic recommendations for the state bodies and will be sharing updates in the future.



## Updated list of systemic recommendations:

### Systemic Report “How Business Can Seek Execution of Court Decisions in Ukraine?”



- To complete formation of legislation approximating private and state enforcers mandates;
- To ensure the development of the National Strategy regarding gradual elimination of those moratoria on enforcement of court decisions, the relevance of which is retained in accordance with the analysis conducted by the Ministry of Justice;
- In the context of moratoria on debtors-state-owned enterprises or enterprises with a qualifying share of the state – to consider and to initiate introduction of effective alternative mechanisms to satisfy creditors’ claims during the respective moratoria being in force;
- When raising the issue of extending the moratorium before the VRU, to provide for its extension only for those legal relations that took place before such an extension and conditioned actual introduction of the relevant restrictions.

### Systemic Report “Administering Taxes Paid by Business”



- To introduce amendments to Clause 56.23 of Article 56 of the TCU to directly foresee the possibility of appeal of decisions on adherence with risk criteria and on rejection of taxpayers’ data tables in accordance with the procedure set forth in that Clause. After introduction of such amendments to the TCU, – the Procedure No. 1165 should be amended accordingly;
- To approve draft amendments to the Procedure No. 1165 and/or Procedure No. 1246, which would introduce a deadline within which suspended TI/AC must be registered with the URTI in accordance with the court decision. Such a term should be reasonable (to allow the STS to ensure its strict following) and should not exceed 15 calendar days from the date when the court decision enters into force. After such amendments entered into force, all episodes of missing the specified deadline shall be the basis for carrying out official internal investigations by the STS and bringing guilty persons to liability.

## 3

# BOC's role in Ukraine's integration into the EU and post-war recovery

## 3.1. The preparation stage for Ukraine to receive EU candidate status

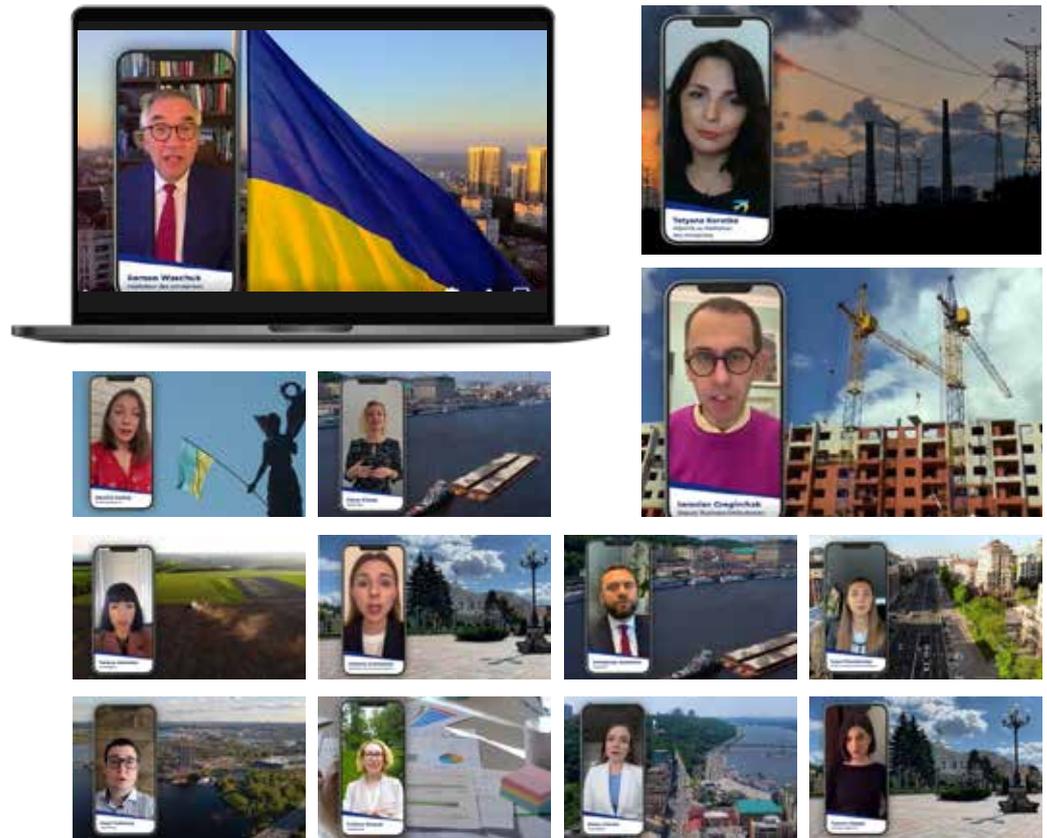
Despite the beginning of the full-scale invasion of the Russian Federation, Ukraine ultimately and irreversibly accelerated movement towards the European Union, preparation and implementation of the necessary reforms.

Thanks to its seven-year experience in improving business conditions, particularly as regards adapting Ukrainian legislation to the EU acquis, the Business Ombudsman Council joined the process of filling out the Questionnaire received by Ukraine in April 2022, to obtain the candidate status for EU membership.

Jointly with the Government of Ukraine and international initiatives, particularly Ukraine Reforms Architecture, BOC experts elaborated and edited texts of several sections of the English edition answers of Ukraine to the European Commission Questionnaire. Sections of the Questionnaire were devoted to the following topics: **“Corporate Law”, “Judiciary and Fundamental Rights”, “Customs Union”, “Financial and Budgetary Regulations”, “Political Criteria”, “Trade Protection” and “Rights of EU Citizens”**.



BOC also joined the government's information campaign to support Ukraine's EU candidate status acquisition. The institution released a series of videos in official EU languages summarizing the Council's achievements in protecting Ukrainian businesses' rights over the past seven years.



Check out

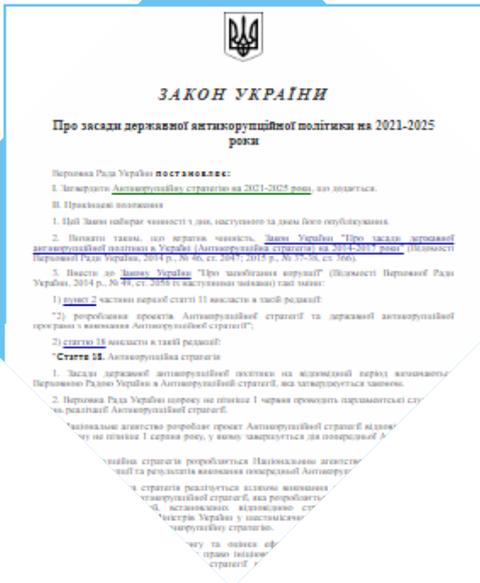
### 3.2. BOC's involvement in preparing Ukraine Recovery Plan and fulfilling obligations for EU membership candidate country

#### Preparing Ukraine Recovery Plan

The Business Ombudsman Council contributed to preparing Ukraine Recovery Plan presented to the international community at Ukraine Recovery Conference in Lugano, Switzerland in July 2022. The Business Ombudsman Council representatives worked in working groups under the auspices of the National Council for the Recovery of Ukraine from the War, established by Presidential Decree No. 266/2022 dated April 21, 2022 .

When participating in working groups on business development support (including SMEs), finance (customs and tax issues focus), and anti-corruption policy, the BOC representatives took part in several dozens of meetings as well as working groups meetings. The proposals made to the Recovery Plan in terms of financial and regulatory policies, as well as the anti-corruption field, were based on the Council's systemic recommendations and considered the country's present-day challenges and needs in the fight against the aggressor.





## Anti-Corruption Strategy until 2025 and BOC's institutionalization

The role of the Business Ombudsman Council was defined in the Anti-Corruption Strategy for 2021-2025 adopted by the Verkhovna Rada of Ukraine on June 20, 2022.

The document provides not only for the state bodies cooperation development with BOC in implementing its systemic recommendations. The Anti-Corruption Strategy states the adoption of a law on the Business Ombudsman Institution as one of expected strategic goals to be achieved to counteract corruption in the private sector.

### 3.3 BOC's involvement in Ukraine's post-war reconstruction initiatives

Working with Ukrainian businesses that faced the challenges of war, the Business Ombudsman Council openly demonstrated its willingness to join post-war reconstruction initiatives and projects. To do this, the institution has the appropriate experience and a team capable of combining its direct functions with involvement in reconstruction processes.

To discuss BOC's role in the country's recovery and possible expansion of its functionality, the Business Ombudsman Roman Waschuk paid working visits to the EBRD Headquarters in London and the European Commission in Brussels.



### Later on, the Business Ombudsman Council became a partner of Rise Ukraine – Coalition for Reconstruction.

RISE Ukraine – Coalition for Reconstruction is an association of Ukrainian and international public organizations, initiatives, state institutions and activists designed to support honest, sustainable and effective reconstruction and modernization of Ukraine after the illegal full-scale invasion of Russia through a constructive dialogue with authorities and international partners.

Within the framework of partnership with RISE Ukraine, the Council's experts will join working groups on priority areas: institutional architecture reconstruction, electronic reconstruction management system and monitoring and promoting best practices, in which they will work on proposals for priority reforms and draft laws for effective reconstruction and creation of a full-fledged electronic reconstruction management system.



The Business Ombudsman Council also became a member of the Peace Coalition Ukraine. The Peace Coalition is an international initiative aimed at promoting the ideas of restoring destroyed territories and providing support to victims of war in the affected regions. The Coalition includes leading non-governmental organizations, UN agencies, research and scientific institutions, donors, independent experts and global clusters.



The Peace Coalition aims to implement a pilot project for the reconstruction of the Ukrainian villages of Andriivka and Kozarovychi in Kyiv region, which suffered significant destruction during the armed aggression of the Russian Federation. The Pilot Project concept has already been developed and provides for the restoration of infrastructure and the urban environment, taking into account energy efficiency principles and environmental sustainability. The Project will be financed by private donors, non-governmental and charity organizations, as well as future reconstruction funds. The Business Ombudsman Council has joined **Andriivka Village Reconstruction Project**. The Council representatives participate in weekly working meetings of the Peace Coalition, during which they share with stakeholders their experience in establishing contacts with government agencies and local government authorities and advise on practical issues regarding the Project implementation.

### 3.4 Strategizing BOC's activities

The challenges of recent years, particularly the beginning of a full-scale invasion of the Russian Federation, have become a driver for changes within the Business Ombudsman Council and around its activities. Sensing an urgent need to improve BOC effectiveness, in the spring of 2022, the Business Ombudsman and his team, on their own initiative, held an internal strategic session on the institution's activities. During the session, BOC employees analyzed the Council's toolkit in overcoming business challenges during the war and outlined processes that needed improvement for further work in wartime and post-war reconstruction.

The second meeting within the framework of the strategic session was held in the format of BOC Supervisory Board. At the session, we paid attention to BOC institutional positioning issues, sharpening its toolkit, developing the institution's sustainability, and responding to war and post-war business and the country's needs on the whole.

**We have identified the following priorities for further work:**

- Deepening cooperation with business associations
- Proactive involvement in solving Ukraine's recovery issues and urgent business problems
- Developing an algorithm for investigating similar cases to free up resources for more complex tasks
- Initiating our own investigations based on media reports and/or other publicly available information

The first result of BOC strategic session in 2022 was the institution's work processes optimization. The Council streamlined internal paperwork, strengthening its ability to conduct investigations without red tape, and relaunched the electronic Case Management System to meet wartime requirements. This made it possible to actually return to pre-war working format with business appeals on a wide range of issues since mid-November 2022.



Let me extend my appreciation and great gratitude to the Business Ombudsman Council of Ukraine for participating in appealing the decision of Dnipro Customs Service to the State Customs Service of Ukraine. Yesterday we received a letter from the State Customs Service of Ukraine, by which the State Customs Service fully supported us and canceled the contested decision. Your support was of great importance to us and played a decisive role in the decision of the State Customs Service in our favor.

**BOC complainant**

## 4

# Analysis of legislative changes and their impact on business

The Business Ombudsman Council regularly monitors changes in Ukrainian legislation, including those introduced during martial law, analyzes their impact on business and makes efforts to share knowledge with its complainants and stakeholders. In 2022, BOC team prepared and distributed the following materials:

## Brochure

### A Package of Amendments to Tax and Customs Legislation



**Authors:**  
Yuliana Revyuk and  
Yuliya Mykhailiuk

[Read](#)

## Memo

### Requisition of Property Under Martial Law

Jointly with the Ukrainian Bar Association



**Authors:**  
Tetiana Korotka,  
Olena Kutsay,  
Maryna Pavlenchuk and  
Kyrylo Nominas

[Read](#)

**Memo**

## Enterprises' Property Mobilization Under Martial Law

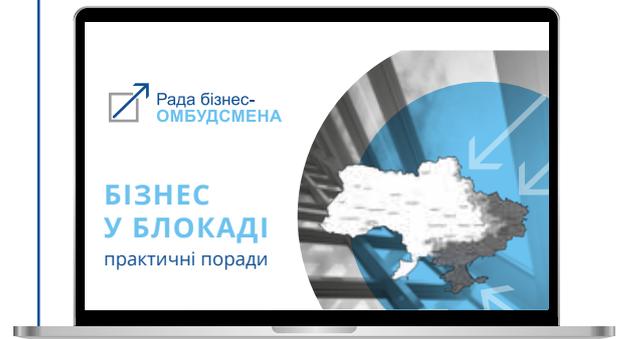
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Kyrylo Nominas

[Read](#)**Brochure**

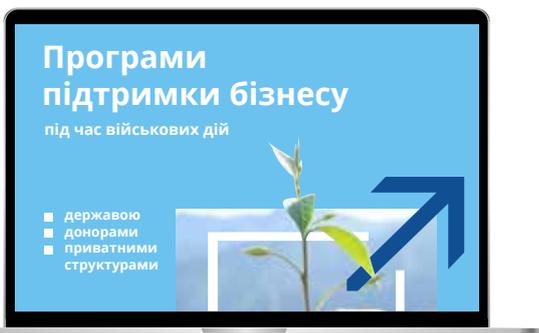
## Business Under Blockade

**Authors:**

Yulia Mykhailiuk,  
Olena Kutsay,  
Olena Chorna,  
Natalya Dasyuk,  
Maksym Diatel

[Read](#)**Brochure**

## Business Support Programs During Hostilities

**Authors:**

Yulia Mykhailiuk,  
Olena Kutsay,  
Olena Chorna,  
Maksym Diatel

[Read](#)

I would like to express my sincere gratitude for your support in resolving the conflict issue with the State Customs Service and closing illegitimate proceedings of the State Customs Service against me personally. I am glad that Ukrainian entrepreneurs have support, which helps to quickly and effectively fight back the attacks of state bodies individual representatives trying to usurp the law, distorting it beyond recognition.

**Director of OTS-Ukraine LLC**

## 5

# Cooperation with stakeholders

## 5.1 Cooperation with state bodies

One of BOC key missions is to ensure an effective dialogue between business and the state. For this purpose, the Business Ombudsman regularly keeps in touch with the Office of the President, the Government of Ukraine and the Verkhovna Rada of Ukraine and state bodies, cooperation with which allows drawing attention to current entrepreneurs' problems and look for ways to fix them.

In 2022, before the full-scale invasion of the Russian Federation, the Business Ombudsman Roman Waschuk met with the **Prime Minister of Ukraine Denys Shmyhal**.



On January 26, 2022, BOC jointly with the Prosecutor General's Office met with thirteen leading business associations of Ukraine. During the event, the Prosecutor General signed the **Standards for prosecutors in the field of investment protection**, BOC being one of the developers. The Prosecutor General drew special attention of business associations to the key role of BOC, as a body through which they should contact the Prosecutor General's Office regarding their members' complaints on law enforcement issues.

During 2022, the Business Ombudsman along with his Deputies held dozens of meetings with leadership teams of state bodies related to the institution's activities. Roman Waschuk discussed problems of entrepreneurs during martial law and strengthened government contacts to address today's challenges, particularly the ones referring to the future recovery of Ukraine.

State Tax Service



State Customs Service



Prosecutor General's Office



Ministry of Economy



Ministry of Finance

Security Service of Ukraine



Office of the Deputy Prime Minister for European and Euro-Atlantic Integration



Bureau of Economic Security



Ministry of Foreign Affairs



Ministry of Internal Affairs



Ministry of Justice



Ministry of Environmental Protection and Natural Resources

## Expert groups

Expert groups are a platform for open and transparent consideration of specific complaints, as well as improvement of legislation regulating business activities and elimination of obstacles to doing business in Ukraine.

Since its establishment in 2015, BOC has signed Memoranda of Partnership with:

- State Tax Service
- State Customs Service
- Ministry of Economy
- Ministry of Finance
- Prosecutor General's Office
- Security Service of Ukraine
- Ministry of Ecology and Natural Resources
- State Regulatory Service
- Ministry of Justice
- National Anti-Corruption Bureau
- Kyiv City State Administration
- National Police
- National Agency on Corruption Prevention

In 2022, BOC continued enhancing cooperation with state bodies within the framework of Memoranda of Partnership and Cooperation.

	Number of meetings	Number of considered cases
State Tax Service of Ukraine	5	478
Main Department of the State Tax Service in Kyiv	6	35
Main Department of the State Tax Service in Kyiv Oblast	5	18
Prosecutor General's Office	2	43
Kyiv City State Administration	1	5

Since August 2022, BOC has intensified cooperation with the STS of Ukraine and holds monthly Expert Group meetings.



## 5.2 Regional visits

Before the full-scale russian aggression in Ukraine, the Business Ombudsman visited Ukrainian cities. Roman Waschuk made working visits to Odesa and Lviv.

### Odesa (February 1, 2022)

The Business Ombudsman met with the Head of Odesa Regional State Administration, the State Police Department in Odesa Oblast, Odesa Customs and regional business representatives. Among other things, he visited «TIS» private port logistics complex in Yuzhne city.



### Lviv (February 15-24, 2022)

The Business Ombudsman met with the city Mayor and Lviv City Council representatives. Apart from individual meetings with companies, the Business Ombudsman also had the opportunity to present BOC activities to entrepreneurs of Lviv Oblast (West Ukrainian Business Club) and learn about the issues most of concern for the region.

Thanks for the hard work of the Business Ombudsman Council, BOC always performs its work decently and fruitfully. Every employee in this organization deserves praise. All issues within the competence of this organization are performed perfectly by the employees. I believe it is one of the existing organizations committed to providing legal assistance to commercial organizations in case of inaction by controlling authorities, such as the State Tax Service of Ukraine.

**BOC complainant**



### 5.3 Online events with partners

## Webinars with the State Tax Service of Ukraine

In 2022, the Business Ombudsman Council boosted cooperation with the State Tax Service of Ukraine and conducted two series of joint online events to inform the business community about taxation peculiarities in wartime.

During the webinars moderated by the Council's investigators, the STS of Ukraine representatives shared with entrepreneurs' specifics of legislative changes in taxation introduced during the martial law and the state of emergency.

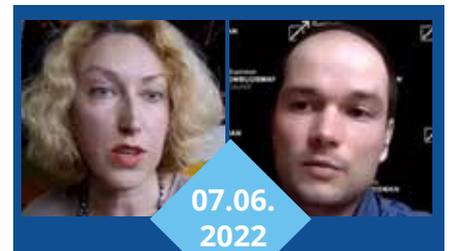
### The first series of webinars took place during May-June 2022:



"Peculiarities of Taxation Aimed at Supporting Business and Citizens Under Martial Law"



"Taxes During the War: What Basic Changes Occurred in the Work of Tax Officers?"



"Control Over International Taxation: What Has Changed?"



"Business Relocation: What Are Taxation and Reporting Rules?"



"VAT and War: How These Two Phenomena Currently Coexist?"



"2% Single Tax: Is Everything Really That Simple?"

[Find webinars here](#)

## Webinar with the American Chamber of Commerce of Ukraine



"How to Establish Effective Interaction with Local Government Authorities"

BOC devoted the second series of webinars with the STS of Ukraine to special aspects of submitting tax documentation, as well as topical taxation issues in territories temporarily uncontrolled by the Government of Ukraine during November and December 2022.

Despite power outages, the webinars gathered hundreds of attendees, and the number of registered participants reached over 2000 people.



“SMKOR: Tax Invoices Suspension and Their Registration”



“Taxes in Temporarily Occupied Territories”



“SMKOR: Data tables and Riskiness of Taxpayers”

[Find webinars here](#)

### Webinars with the EU Project “Pravo – Justice”, Asters law firm and Sayenko Kharenko law firm



“How to Correctly Record War Losses: Practical Business Advice”  
Jointly with the EU-funded “Pravo-Justice” project and Asters law firm



“Types and Mechanisms of Possible Compensation for War Losses for Business”  
Jointly with the EU-funded “Pravo-Justice” project and Sayenko Kharenko law firm.

### Business breakfasts with the International Society of Polish Entrepreneurs in Ukraine and LC Alliance Ratushniak & Partners



“Labor Relations and Labor Disputes During Martial Law”

In cooperation with the International Society of Polish Entrepreneurs in Ukraine and LC Alliance Ratushniak and Partners with the assistance of the Foreign Trade Bureau in Kyiv JSC Polish Investment and Trade Agency



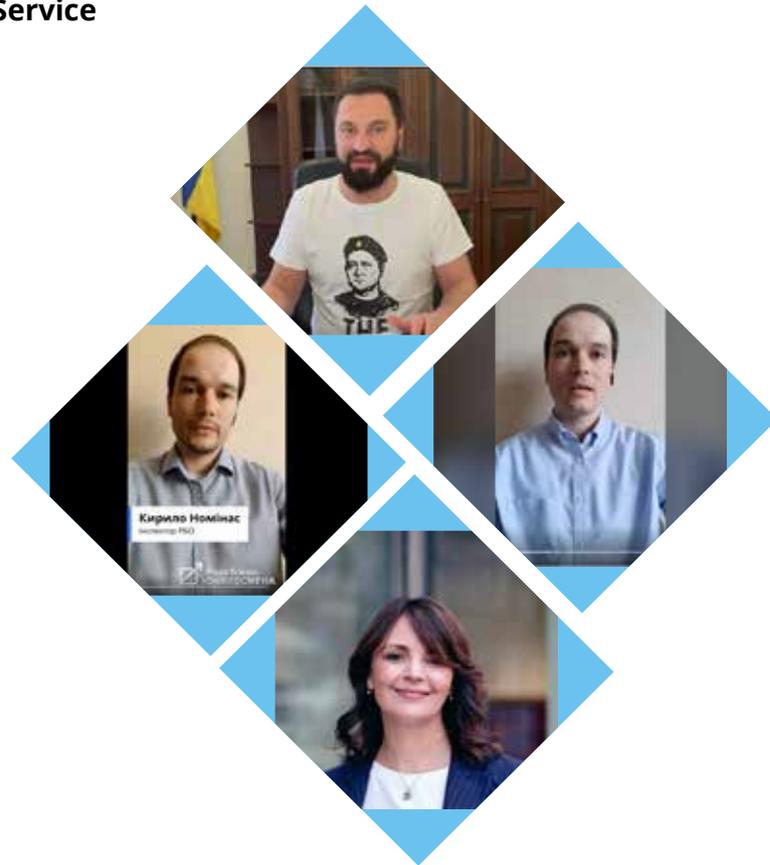
“Labor Relations and Labor Disputes During Martial Law”

In cooperation with the International Society of Polish Entrepreneurs in Ukraine and LC Alliance Ratushniak and Partners with the assistance of the Foreign Trade Bureau in Kyiv JSC Polish Investment and Trade Agency and national Diia.Business project

## 5.4 Information project with the State Customs Service

In the reporting quarter, within the framework of cooperation with the State Customs Service of Ukraine, the Council focused on the communication direction of the customs reform. Jointly with Lviv Customs of the State Customs Service of Ukraine and "Help UA Lviv" Humanitarian Headquarters of Lviv Customs, BOC implemented an information and education project on highlighting peculiarities of movement of goods across the customs border of Ukraine. During April–May, the Council, jointly with Lviv Customs, launched a survey on current business problems at the customs and prepared three videos-answers to these questions.

On May 11, 2022, the Deputy Business Ombudsman Tetiana Korotka delivered a lecture to second-year students of the Institute of Economics and Management of Lviv Polytechnical University on the impact of innovations on customs during martial law. In particular, the former Head of Lviv Customs joined the lecture.



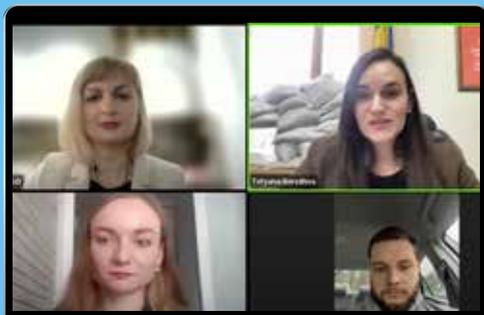
## 5.5 Cooperation with the Ministry of Economy of Ukraine, Entrepreneurship and Export Promotion Office and national Diia.Business project

In 2022, cooperation of the Business Ombudsman Council and the national Diia.Business project got extended.

On November 7, 2022, the Business Ombudsman Council in partnership with the Ministry of Economy of Ukraine, the Entrepreneurship and Export Promotion Office and national Diia.Business project conducted a joint online event on business support programs during war. The seminar was based on the [“Business Support Programs During Hostilities” brochure](#) earlier published by the Council.

In particular, as a result of cooperation with the Diia.Business national project, work on BOC page creation on the Diia.Business portal got underway. Information about BOC services for business was published on the portal in early 2022.

Дія Бізнес

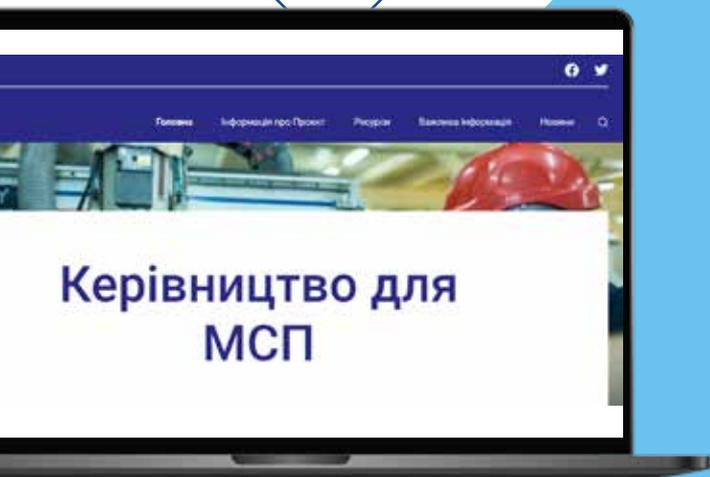
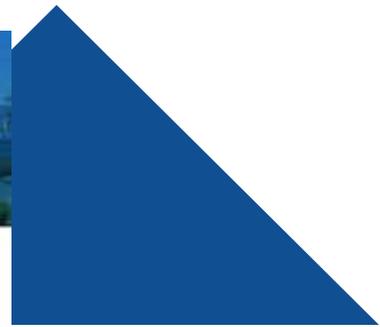


### 5.6 A Newsletter on legal and regulatory issues for SMEs

In 2022, the Business Ombudsman Council contributed to filling the EBRD Newsletter on legal and regulatory issues for small and medium-sized enterprises in Ukraine.



The document contains useful materials for small and medium-sized businesses regarding the main wartime legislative and regulatory changes directly affecting their operations. The newsletter is regularly published on the EBRD Business Guide communication platform and prepared by BOC and Arzinger law firm.



The Business Ombudsman Council, in particular, continues to enhance direct partnership with EBRD to preserve the viability of small businesses in the face of financial stress and legal uncertainty. BOC contributes to developing “Business Guide” communication platform by periodically publishing materials with advice for business.

The “Business Guide” platform was launched by EBRD back in 2021 to support Ukrainian entrepreneurs through hard times: <https://businessguide.ebrd.com.ua/>.

Read

## 5.7 Events calendar

Despite the war, in 2022 the Business Ombudsman and his team participated in events both of national and international scale. It is worth highlighting the following important events of the year:

**20.01.2022**



Session “Reforms for Investment in Ukraine” of Ukraine Reforms Conference “A Road to Lugano”  
**Organized by**  
 Ukraine Reforms Conference

**31.01.2022**



Round table “How to Support Ukraine and Restrain Kremlin Aggression”  
**Organized by**  
 The Atlantic Council’s Eurasia Center and Yalta European Strategy

**15.03.2022**



Meeting of the EBRD President with Ukrainian business leaders  
**Organized by**  
 EBRD

**12.06.2022**

Europe Liberty Forum 2022  
**Organized by**  
 Economic Freedom Foundation

**24.05.2022**

Conference “Business Despite the War: Ukrainian Experience”  
**Organized by**  
 Polish-Ukrainian Chamber of Commerce

**09.06.2022**



ON – Law Marathon “Business During War: Compensation Mechanisms”  
**Organized by**  
 Yurydychna Praktyka Publishing House

**16.06.2022**



Ukraine Symposium of the European Academy of Management  
**Organized by**  
 European Academy of Management (EURAM) and ZHAW School of Management and Law

**16.06.2022**



Strategic discussion “Membership in the EU. To-Do List for Ukrainian Business”  
**Organized by**  
 Ukrainian Network of Integrity and Compliance (UNIC)

22.06.2022



Forum of Polish and Ukrainian entrepreneurs in Warsaw

**Organized by**  
Warsaw Chamber of Commerce

30.06.2022



Ukraine Economic Resistance Forum

**Organized by**  
Invest Forum UA and the National Investment Council of Ukraine

04-05.07.2022



Ukraine Recovery Conference

**Organized by**  
Government of Ukraine

18.07.2022



Warsaw Euro-Atlantic Summer Academy, WEASA

**Organized by**  
College of Europe (Natolin, Poland)

01.09.2022



Forum 2000 Conference Prague – Forum in honor of Ukraine in Prague, Czech Republic

**Organized by**  
Center for International Private Enterprise (CIPE)

02.09.2022



Joint event of the American Chamber of Commerce in Ukraine and the American Chamber of Commerce in the Czech Republic on the realities of doing business after six months of war in Ukraine

**Organized by**  
American Chamber of Commerce in Ukraine and American Chamber of Commerce in the Czech Republic

07.09.2022

31st Economic Forum in Karpacz, Poland

**Organized by**  
CEE Economic Forum

27.09.2022



Meeting with representatives of the West East Forum for Ethics and Compliance

**Organized by**  
West East Forum for Ethics and Compliance (Bosnia and Herzegovina)

**28-30.10.2022**



Triennial Congress of Ukrainian Canadians  
**Organized by**  
 Ukrainian Canadian Congress

**16.11.2022**



High-Level Meeting of Anti-Corruption Decision-Makers in Eastern Europe and Central Asia  
**Organized by**  
 OECD

**17.11.2022**

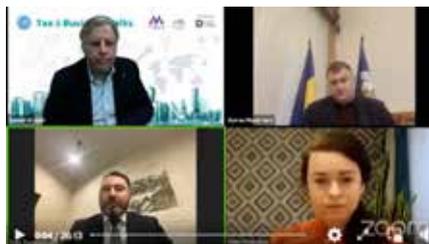
Kyiv International Economic Forum 2022  
**Organized by**  
 UFuture Holding

**20-22.11.2022**



Regional meeting of Business Ombudsman Institutions of the EU, Eastern Europe and Central Asia within the framework of the European Congress of Small and Medium Enterprises  
**Organized by**  
 Spokesperson for SMEs rights in the Republic of Poland

**25.11.2022**



Tax&Business Talks  
**Organized by**  
 Ukrainian Bar Association

**30.11-02.12.2022**



Wilton Park Ukraine Recovery Conference  
**Organized by**  
 Wilton Park in partnership with the Center for Strategic and International Studies

**12-14.12.2022**

Forum "Polish-Ukrainian Border – a Chance or a Barrier for Development"  
**Organized by**  
 Polish-Ukrainian Chamber of Commerce

**14.12.2022**



Ukrainian-Austrian Business Forum  
**Organized by**  
 Federal Chamber of Economy of Austria, Chamber of Commerce and Industry of Ukraine, Embassy of Ukraine in Austria and Trade Department of the Embassy of the Republic of Austria in Ukraine

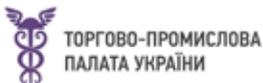
## Meetings with business associations

Communication with business associations is an integral part of BOC's interaction with the business community.

In 2022, the Business Ombudsman held dozens of meetings with Ukrainian and foreign business associations to discuss the current problems of Ukrainian entrepreneurs and offer his support.



Chamber of Commerce and Industry of Ukraine



European Business Association



Ukrainian League of Industrialists and Entrepreneurs



Federation of Employers of Ukraine



American Chamber of Commerce of Ukraine



International Chamber of Commerce



CEO Club Ukraine



AHK Ukraine



Polish-Ukrainian Chamber of Commerce



Polish Chamber of Commerce



Polish Investment and Trade Agency



International Association of Polish Entrepreneurs in Ukraine



Canada Ukraine Chamber of Commerce



International Turkish Ukrainian Businessmen Association (TUID)



## 5.8 Public outreach

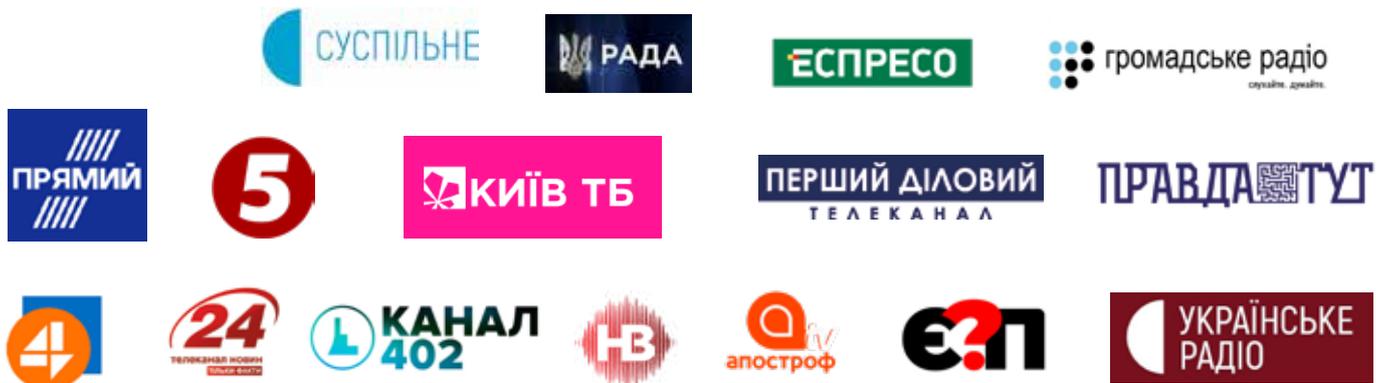
### Interaction with the media

In 2022, our interviews and articles were published in leading media.

#### Ukrainian media:



#### Television and radio:



#### International media:



#### Television and radio:



## Interaction with the media

In the reporting year, the Business Ombudsman met with the press. Roman Waschuk discussed with journalists BOC's operational results, the business climate during the war and prospects for investors.



BOC continues active cooperation with all stakeholders to bring maximum advantage for Ukrainian business and the state bravely fighting against the russian aggressor.



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