ON IMPLEMENTATION
OF THE ASSOCIATION
AGREEMENT BETWEEN
UKRAINE AND THE
EUROPEAN UNION
FOR 2024



### **CONTENT**

FOREWORD OF THE DEPUTY PRIME MINISTER FOR EUROPEAN AND EURO-ATLANTIC INTEGRATION - MINISTER OF JUSTICE OF UKRAINE OLHA STEFANISHYNA
PROGRESS IN IMPLEMENTING THE ASSOCIATION AGREEMENT IN 2024
SECTION I. OPENING ACCESSION NEGOTIATIONS WITH UKRAINE
SECTION II. ACTIVITIES OF BILATERAL BODIES OF THE ASSOCIATION AND HIGH-LEVEL DIALOGUE BETWEEN UKRAINE AND THE EU
SECTION III. THE EUROPEAN UNION'S ASSISTANCE TO UKRAINE
SECTION IV. RESULTS OF IMPLEMENTATION OF THE ASSOCIATION AGREEMENT IN 2024
POLITICAL DIALOGUE, NATIONAL SECURITY AND DEFENSE
JUSTICE, FREEDOM, SECURITY AND HUMAN RIGHTS
TECHNICAL BARRIERS TO TRADE
SANITARY AND PHYTOSANITARY MEASURES
CUSTOMS MATTERS
ENTREPRENEURSHIP
PUBLIC PROCUREMENT
INTELLECTUAL PROPERTY
ENERGY EFFICIENCY AND HOUSING AND UTILITY INFRASTRUCTURE ENERGY
TAXATION
STATISTICS AND INFORMATION EXCHANGE
ENVIRONMENT AND CIVIL PROTECTION
TRANSPORT, TRANSPORT INFRASTRUCTURE, POSTAL AND COURIER SERVICES
SCIENCE, TECHNOLOGY AND INNOVATIONS, SPACE, DIGITAL INTEGRATION
FINANCIAL SERVICES
PUBLIC FINANCE MANAGEMENT
HUMANITARIAN POLICY
AGRICULTURE
CONSUMER PROTECTION
SOCIAL POLICY AND LABOUR RELATIONS
PUBLIC HEALTH
EDUCATION, TRAINING AND YOUTH
FINANCIAL COOPERATION AND COMBATING FRAUD



DEEP AND COMPREHENSIVE FREE TRADE AREA

# FOREWORD OF THE DEPUTY PRIME MINISTER FOR EUROPEAN AND EURO-ATLANTIC INTEGRATION - MINISTER OF JUSTICE OF UKRAINE OLHA STEFANISHYNA

Despite Russia's ongoing full-scale war against Ukraine, our country steadily and successfully continues its irreversible movement towards the European Union, implementing important democratic transformations.

For Ukraine, 2024 was, without exaggeration, a historic year in the context of implementing its European integration course, as it was the year when negotiations on Ukraine's accession to the EU were officially opened at the First Intergovernmental Conference in Luxembourg.

Our country has made every effort to achieve this goal. In fact, in 2 years, from the moment of obtaining the status of a candidate for the EU membership and before the opening of accession negotiations, Ukraine has implemented 7 recommendations and 4 additional legislative steps specified by the European Commission. Within the framework of these criteria, a number of important European integration laws were adopted and a number of reforms were implemented that affected all spheres of life in Ukrainian society, from judicial reform and fighting corruption to improving the legal framework for the rights of national minorities (communities).

Furthermore, we continued to work actively on the implementation of the EU-Ukraine Association Agreement, including the Deep and Comprehensive Free Trade Area, which is another important instrument for Ukraine's integration with the European Union. The implementation of the Association Agreement allows Ukraine to achieve comprehensive economic and legal harmonization with the EU and create a true market economy in our country. Since 2014, the level of implementation of the Association Agreement has reached 81%, making Ukraine integrated with the EU in many aspects.

On October 30, 2024, the European Commission presented its second Report under the EU's 2024 Enlargement Package. The document contains positive assessment of Ukraine's progress in implementing reforms and notes our country's commitment to fundamental reforms and systemic transformation processes, primarily in the areas of rule of law, human rights and anti-corruption. In addition, the report emphasizes Ukraine's efforts and progress in the context of sectoral integration and access to the EU internal market.

In 2024, the screening of Ukrainian legislation for compliance with the EU legislation was actively pursued, which is an integral part of the negotiation process on Ukraine's accession to the European Union. We are working to maintain the high dynamics of Ukraine's European integration process and to open all negotiation clusters with the EU next year.

We are well aware that the path to full EU membership under the extremely difficult conditions of martial law is a difficult one and requires extraordinary efforts, reforms and unity of the entire society. However, we firmly believe that we will be able not only to meet all essential requirements for Ukraine's integration into the EU, but also to build strong, democratic and prosperous state that will become a full-fledged part of the European community. This is our strategic task and historical responsibility for current and future generations of Ukrainians.

GLORY TO UKRAINE!
GLORY TO THE ARMED FORCES OF UKRAINE!



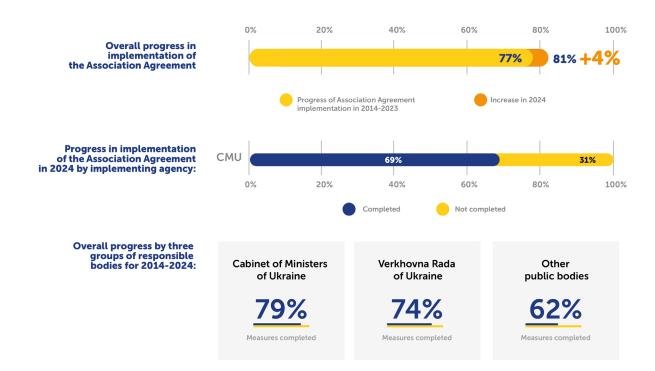
#### PROGRESS IN IMPLEMENTING THE ASSOCIATION AGREEMENT IN 2024

Overall progress in the implementation of the Association Agreement between the European Union, the European Atomic Energy Community and their member states, on the one part, and Ukraine on the other part (hereinafter referred to as the Association Agreement) for the period of 2014-2024 increased from 77% in 2023 to 81% in 2024, i.e. by 4%.

In 2024, the progress achieved in the implementation of tasks under the Association Agreement is 70%. At that, the Cabinet of Ministers of Ukraine has completed 69% of its tasks.

#### Overall progress for 2014-2024:

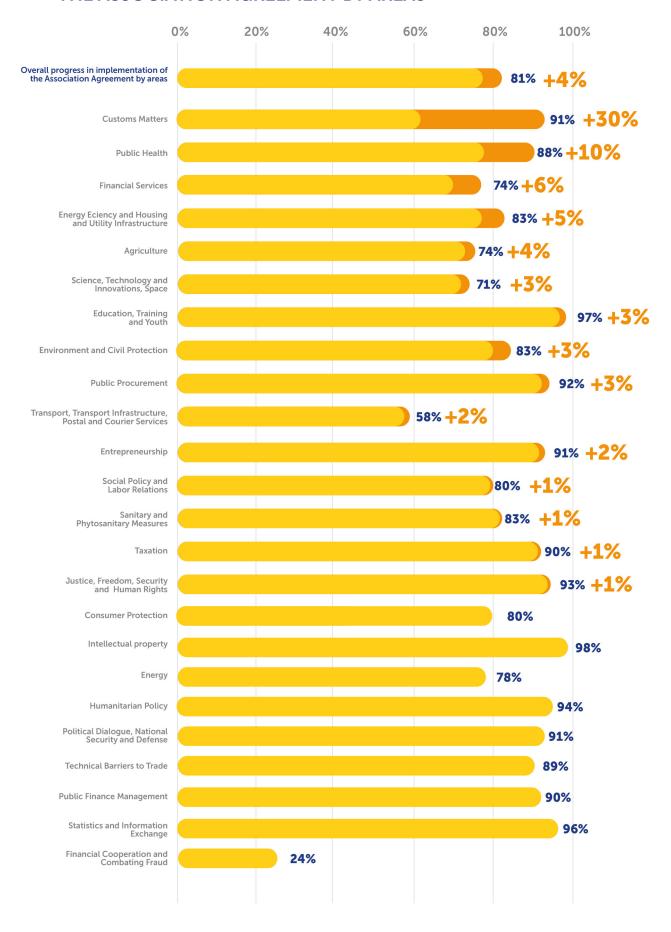
- the Cabinet of Ministers of Ukraine 79% of the tasks were completed.
- the Verkhovna Rada of Ukraine 74% of the tasks were completed.
- Other public authorities<sup>1</sup> 62% of the tasks were completed.



<sup>&</sup>lt;sup>1</sup> It includes all public authorities that do not belong to the legislative and executive branches of government (for example, the NBU, NABU, SBU, etc.)



# OVERALL PROGRESS IN IMPLEMENTATION OF THE ASSOCIATION AGREEMENT BY AREAS





### **SECTION I.**

# **OPENING ACCESSION NEGOTIATIONS WITH UKRAINE**



# CREATING A NEW ARCHITECTURE TO SUPPORT THE NEGOTIATION PROCESS

23.06.2022

Ukraine was granted candidate status for accession to the European Union.

14.12.2023

European Council decided to open accession negotiations with Ukraine.

25.06.2024

the first Intergovernmental Conference between Ukraine and the EU took place in Luxembourg, marking the start of actual negotiations on Ukraine's membership in the European Union. During the event, the EU presented a negotiating framework that defines the principles and basis for further negotiations. Ukrainian and the EU Parties made their respective opening statements.

The new format of relations with the EU creates significant opportunities for Ukraine and, at the same time, requires measures to ensure effective political interaction between Ukraine and the EU and to create a new architecture for supporting the negotiation process on Ukraine's accession to the EU, in particular in the context of proper coordination, internal and external interaction between stakeholders, approximation of Ukrainian legislation to the EU law, preparation of Ukraine's negotiating positions, etc.

On the eve of the first Intergovernmental Conference, on June 21, 2024, the President of Ukraine Volodymyr Zelenskyy signed the Decree No. 365/2024, which established Ukrainian delegation to participate in negotiations with the European Union on the conclusion of the Agreement on Ukraine's accession to the European Union. The delegation is comprised of 35 members from among the representatives of the Cabinet of Ministers of Ukraine, the Office of the President of Ukraine, the Verkhovna Rada of Ukraine, the Secretariat of the Cabinet of Ministers of Ukraine, ministries, central executive bodies and other government agencies. Olha Stefanishyna, Deputy Prime Minister for European and Euro-Atlantic Integration of Ukraine and the Minister of Justice of Ukraine, was appointed as the Head of the delegation and chief negotiator.

An important component of the new negotiation process architecture is the principle of balance, representation and involvement of all major stakeholders in the negotiations - representatives of various branches of government, public organizations, business associations, academic institutions, etc.

27.08.2024

the Cabinet of Ministers of Ukraine adopted the Resolution No. 987 "On some issues of supporting the negotiation process on Ukraine's accession to the European Union". This regulation established:



- Interagency Working Group to support the negotiation process on Ukraine's accession to the European Union and approximation of Ukrainian legislation to the EU law (hereinafter - the Interagency Working Group).
- 36 working (negotiation) groups to prepare Ukraine's negotiating positions during the negotiations with the European Union on the conclusion of the Agreement on Ukraine's accession to the European Union on the relevant sections of the EU negotiating framework (hereinafter working (negotiation) groups).

The Interagency Working Group includes representatives of the Cabinet of Ministers, the Office of the President of Ukraine, the Verkhovna Rada of Ukraine, ministries, central executive bodies and other government agencies. Olha Stefanishyna, Deputy Prime Minister for European and Euro-Atlantic Integration of Ukraine and the Minister of Justice of Ukraine, was appointed as the Chair of the Interagency Working Group. Each working (negotiation) group involves a wide range of stakeholders, including representatives of the ministries, central executive bodies, other government agencies, the Secretariat of the Verkhovna Rada of Ukraine, business associations, public organizations, all-Ukrainian associations of employers' organizations, academic institutions and members of the Ukrainian Parliament. The respective deputies and heads of state authorities were appointed as the heads of the working (negotiation) groups.

Thus, establishment of a new architecture to support the negotiation process is a necessary step towards Ukraine's membership in the EU, which will not only facilitate the integration process itself, but also increase the efficiency of the negotiation process at all stages of interaction with the European Union.

#### Official screening of Ukrainian legislation compliance with the EU law

On July 8-9, 2024, the first bilateral meeting between Ukraine and the European Commission took place within the framework of the official screening of Ukrainian legislation compliance with the EU law under **negotiating chapter 5 "Public procurement"**. Ukrainian party was represented by 32 members from 10 public authorities.

During the meeting, the public procurement sector of Ukraine was presented, including the following areas: public-private partnerships/concessions, international treaties, procurement for defense and procurement appeal systems. The meeting provided an opportunity to receive specific comments from the EU Party on approximation of the EU acquis' requirements, as well as to establish working-level contacts for further cooperation at the level of relevant working group, discuss Ukraine's strategic vision and position on future integration with the EU public procurement market.

The parties confirmed the importance of achieving full harmonization with the EU law not only within the framework of the Association Agreement, but also beyond it. The European Party expressed concern about low percentage of participation of foreign companies in tender procedures. It also pointed to frequent changes in the rules, which might cause uncertainty among business entities.

The EU Party noted current progress in the implementation of the Association Agreement and emphasized the importance of public procurement.

The Ministry of Economy of Ukraine, together with other state bodies, is working on



preparing proposals for the draft negotiating position of the Ukrainian Party to Chapter 5 "Public Procurement", taking into account provided recommendations.

On September 17-19, 2024, a bilateral meeting was held under negotiating Chapter 23 "Rule of Law and Fundamental Rights and Freedoms". The Ukrainian delegation consisted of 305 members from 47 government agencies.

The meeting featured 24 presentations divided into three blocks: "Justice", "Anti-Corruption Policy" and "Fundamental Rights", which are important components of democracy and provide an environment for the protection and effective exercising of human rights.

For each block, measures were outlined to:

- ensure the independence of the judiciary, continue to reform the judicial system and enhance the transparency and accountability of judges;
- strengthen the work of anti-corruption bodies and ensure transparency of the processes;
- ensure fundamental human rights in line with the EU regulations and values.

The Ministry of Justice, together with other state bodies, is working to prepare proposals for the draft negotiating position of Ukrainian Party to Chapter 23 "Rule of Law and Fundamental Rights and Freedoms", taking into account provided recommendations.

On October 8, 2024, a bilateral meeting was held on the **negotiating Chapter** "Economic Criteria". Ukrainian delegation consisted of 69 members from 16 government agencies.

According to the results of bilateral meeting, Ukrainian Party presented an assessment of Ukraine's compliance with the EU economic criteria, in particular, further functioning of the market economy, improvement of competitiveness and support of the country's long-term growth, and the European Commission prepared relevant recommendations.

The Ministry of Economy of Ukraine, together with other government agencies, is working to prepare proposals for the draft negotiating position of Ukrainian Party to the chapter "Economic Criteria", taking into account provided recommendations.

On October 8-9, 2024, a bilateral meeting was held on negotiating Chapter 32 "Financial Control" and "Public Administration Reform". Ukrainian delegation consisted of 111 members from 16 government agencies.

Within the Financial Control chapter, the following issues were considered:

- public internal financial control, which is implemented in the apparatus of budget holders through the organization of internal control and internal audit;
- external audit, which is carried out by the Accounting Chamber as an independent supreme audit institution;



- protection of the euro against counterfeiting, implemented by the National Bank of Ukraine and competent law enforcement agencies;
- protection of the EU's financial interests, which is ensured by national bodies under the coordination of the State Audit Service.

The chapter "Public Administration Reform" covers the following issues:

- Copenhagen criteria: "Administrative and institutional capacity for effective implementation of the acquis";
- strategic framework for public administration reform;
- policy development and coordination;
- civil service and human resource management;
- accountability and service delivery;
- public finance management (PFM).

The Ministry of Finance and the Secretariat of the Cabinet of Ministers of Ukraine, together with other state bodies, are working on preparing proposals for the draft negotiating position of Ukrainian Party to these chapters, taking into account provided recommendations.

On October 10, 2024, a bilateral meeting was held on the **negotiating Chapter** "Functioning of Democratic Institutions". Ukrainian delegation consisted of 140 members from 29 government agencies.

During the meeting, Ukrainian Party presented the current status and main achievements within the following thematic blocks:

- General Framework for Democracy a comprehensive overview of the specifics
  of the martial law regime, as well as its impact on democratic processes and the
  functioning of public authorities in Ukraine;
- Election process reforming the election legislation, challenges in the media, financing of political parties and combating disinformation, including creating transparent mechanisms and modernizing the POLITDATA system;
- Functioning of Parliaments in a Democratic System measures to increase transparency, integrity and efficiency of the Verkhovna Rada of Ukraine, as well as measures to combat corruption and mechanisms to maintain a balance between the majority and the opposition;
- Role of Civil Society increasing the role of civil society, strengthening its sustainability and improving legislation to support organizations through grants, budgets and consultation mechanisms.

The Ministry of Justice, together with other state bodies, is working on preparing proposals for the draft negotiating position of Ukrainian Party to the Chapter "Functioning of democratic institutions", taking into account provided recommendations.



From October 23 to 25, 2024, the bilateral meeting on negotiating Chapter 24, "Justice, Freedom and Security", took place. The Ukrainian delegation consisted of 343 members from 48 government agencies.

The government authorities prepared 42 presentations on 11 thematic blocks, which comprehensively cover the functioning of law enforcement agencies, the fight against organized crime, drug trafficking, terrorism, counterfeiting of the euro, migration, asylum and visa policy, as well as judicial cooperation in both criminal and civil cases. The functioning of anti-corruption safeguards in law enforcement agencies was presented under a separate agenda item.

The Ministry of Justice, together with other state bodies, is working to prepare proposals for the draft negotiating position of Ukrainian Party to Chapter 24 "Justice, Freedom and Security", taking into account provided recommendations.

On November 11-12, 2024, a bilateral meeting was held on negotiating Chapter 18 "Statistics", which was the last one within Cluster 1. Ukrainian delegation consisted of 63 members from 12 government agencies.

Participation in the event contributed to the strengthening of cooperation between the State Statistics Service of Ukraine (hereinafter - the State Statistics Service) and the Statistical Office of the European Union (Eurostat).

The European Commission emphasized that statistics is one of the fundamental state policies that affects the quality and efficiency of public administration in all areas, as well as the trust of citizens in their government. During the event, the Head of the State Statistics Service of Ukraine Ihor Verner presented the status of Ukrainian legislation approximation with the EU law on statistics, institutional structure and administrative capacity, future plans for the approximation of legislation on official statistics with the EU law, and informed about the main challenges facing the national statistics system of Ukraine. In the course of the work, the above areas were presented in the context of all thematic areas of statistics covered by the EU Statistical Requirements Compendium 2024 according to the agenda of the meeting.

The State Statistics Service, together with other state bodies, is working on preparing proposals for the draft negotiating position of Ukrainian Party to Chapter 18 "Statistics", taking into account provided recommendations.

On November 19, 2024, a bilateral meeting was held on negotiating Chapter 2 "Free movement of workers".

The purpose of the meeting was to present Ukrainian Party's assessment of Ukraine's approximation to the requirements for:

• free movement of workers, including discussion of general principles related to access to the labour market, non-discriminatory treatment (based on nationality, place of residence and language, etc.) of workers who are legally employed in a country other than their country of origin;



- additional pension provision for employees and self-employed persons moving within the EU, integration with the European Employment Services Network (EURES), which ensures close cooperation between national employment services to exchange information on employment opportunities;
- a mechanism for coordinating national social security provisions for insured persons and their family members moving from one Member State to another;
- specifics of cooperation with the European Employment Agency;
- corruption risks and ways to overcome them.

During the discussion of the presentations, comments and answers to the questions of the European Commission representatives, further directions and steps were identified to approximate Ukrainian legislation to the EU law in the context of employees' mobility, as well as mechanisms for further cooperation and coordination in the process of drafting the Law of Ukraine on the Free Movement of Employees and bylaws for its implementation, drafting a law aimed at implementing the provisions of Directive 2016/2341 of the European Parliament and of the Council of 14 December 2016 on the activities and supervision of institutions for occupational retirement provision, implementing the provisions of the Action Plan for the preparation for joining the European Employment Services Network (EURES), joining the European Employment Agency (EEA), concluding agreements on the coordination of social security with EU member states.

Further actions of Ukrainian Party within the framework of negotiations on Chapter 2 "Free movement of workers" will be guided by the recommendations of the European Commission.

On November 20, 2024, a bilateral meeting was held on negotiating Chapter 4 "Free movement of capital". Ukrainian delegation consisted of 50 members from 14 government agencies.

The meeting addressed key issues within the following thematic blocks.

#### Free movement of capital and payments

- A brief overview of national legislation, the level of its compliance with the EU law and explanations of temporary restrictions applied during martial law, in particular, currency regulation and control was provided.
- It was emphasized that despite the war, free movement of capital, as one of the main "economic" freedoms, remains a strategic goal of Ukraine, which seeks to become part of the EU and the single European market.
- It was emphasized that Ukrainian Party is working on lifting the temporary restrictions imposed due to the war and is trying to achieve the appropriate conditions for the transition to free movement of capital.
- Information was provided on the implementation of the Roadmap for Easing Restrictions and the Strategy for Easing of FX Restrictions, Transition to Greater Exchange Rate Flexibility and Return to Inflation Targeting.



#### Capital flow regime for securities

- An overview of national legislation on capital movement regulation for securities in Ukraine and the current state of implementation of the relevant EU legislation, the procedure for admission of securities to the capital market, statistics on foreign issuers' securities admitted to circulation in Ukraine, conditions for admission of foreign issuers' securities to trading on the organized capital market, the volume of transactions with foreign financial instruments on organized capital market operators and outside organized capital markets were presented.
- Specifics of obtaining a license for non-residents to carry out professional activities in capital markets and organized commodity markets, information on securities transactions of collective investment institutions, as well as specifics of taxation of transactions with securities, corporate rights and derivative contracts for individuals and legal entities were covered.
- Information on current legal reforms and future plans was provided.

#### International investments

- State property management, including institutional structure and relevant policy aspects.
- Privatization of state-owned enterprises and corporate governance.
- Foreign investments, including the institutional framework to support investments, the regime applied and the restrictions imposed.
- Bilateral investment agreements.
- Steps to improve the investment climate in Ukraine.

#### Payment systems

- The European Commission was briefed on the status of implementation of the EU acquis and future plans to eliminate inconsistencies in national legislation, as well as on the institutional capacity to ensure approximation of national legislation to the EU acquis.
- The issue of compliance of authorization for the provision of payment services with the established requirements was covered.
- Special attention was paid to the protection of the rights of consumers of financial services, the introduction of open banking, electronic money, international payments and transparency of foreign exchange fees, as well as the presentation of the next steps.

#### Combating money laundering and terrorist financing

Ukraine's commitment to implementing the declared reforms on preventing and combating the legalization (laundering) of proceeds of crime, terrorist financing and



financing of the proliferation of weapons of mass destruction was confirmed.

On November 21-22, 2024, a bilateral meeting was held under negotiating Chapter 3 "Right of Establishment and Freedom to Provide Services", during which:

- Ukrainian Party presented an assessment of the status of implementation of the EU acquis on the right of establishment and freedom to provide services into national legislation and outlined the steps to be taken by Ukraine to harmonize national legislation with the requirements of the relevant EU acquis;
- recommendations from the European Commission were received regarding the continuation of work on the implementation of the EU law into national legislation on the right of establishment and freedom to provide services.

The Ukrainian delegation consisted of 44 members from 10 state bodies.

On December 10-11, 2024, a bilateral meeting was held on negotiating Chapter 7 "Intellectual Property Rights". The Ukrainian delegation consisted of 51 members from 14 state bodies.

During the discussion of the presentations, comments and answers to the questions, the EU Party noted the importance of approximation of Ukrainian intellectual property legislation to the EU acquis and Ukraine's continuous efforts in previous years to implement international standards in the national intellectual property system. The Ukrainian Party noted that the development of the national system of legal protection of intellectual property, ensuring the protection of intellectual property rights, even in the context of the aggressive war of the Russian Federation against Ukraine, is a fundamental priority for the Government of Ukraine. Ukrainian delegation reaffirmed Ukraine's commitment to fully harmonize its national intellectual property legislation and practice with the EU acquis.

Preparation of 3 roadmaps and an action plan for the protection of the rights of national minorities (communities) within the framework of the opening of Cluster I "Fundamentals of the Accession Process"

In accordance with the Negotiating Framework presented by the European Commission on June 25, 2024 in Luxembourg, Ukraine is developing a set of strategic documents to meet key European integration benchmarks, which will be documents of political commitment to continue reforms with clear timelines.

Ukraine has already prepared draft roadmaps in the areas of the rule of law and public administration reform, the development of which is defined by the EU as a prerequisite for opening Cluster 1 "Fundamentals of the EU Accession Process".

The Rule of Law Roadmap identifies key areas of reform in this area, including judicial reform, fighting corruption, protection of fundamental rights and freedoms, and security issues. The draft is synchronized with Ukraine's international commitments and strategic documents.



The Roadmap for Public Administration Reform is aimed at building a strong civil service in Ukraine that is able to effectively exercise all the rights and obligations of a future full member of the EU. The document defines key areas of reforms in the public administration sector, in particular, in the development and coordination of state policy, civil service and human resources management, accountability, service provision and public finance management. The draft Roadmap is synchronized with Ukraine's international commitments, strategic and program documents.

In preparing the draft roadmaps, the results of the bilateral screening meetings were taken into account, as well as a number of consultations with the European Commission, the Verkhovna Rada of Ukraine, and representatives of civil society.

The measures proposed in the Roadmaps are of a different nature: amendments to legislation, development and adoption of new laws, strategies and plans, and training for civil servants to strengthen their institutional capacity.

The draft roadmaps are being finalized in consultation with the European Commission.

In addition, a draft roadmap "Functioning of Democratic Institutions" has been prepared to fulfil the commitments undertaken by Ukraine during the First EU-Ukraine Intergovernmental Conference. The document defines reforms in the following areas: general principles of democracy, election process, functioning of parliaments in a democratic system, and the role of civil society. The document is being finalized in consultation with the European Commission.

Another equally important strategic document for Ukraine is the Action Plan for the Protection of the rights of individuals belonging to national minorities (communities) of Ukraine. The opening statement of the Government of Ukraine for the First Intergovernmental Conference on Ukraine's Accession to the European Union (approved by the Order of the Cabinet of Ministers of Ukraine of June 21, 2024, No. 565-p) contains a commitment to develop an action plan aimed at protecting the rights of persons belonging to national minorities (communities). The Opening Statement also points out that Ukraine remains sincerely committed to resolving and, on this basis, fully implementing the 11 issues raised by Hungary, which are aimed at further strengthening the protection of national minority rights.

Action Plan, prepared in consultation with experts from the European Commission and with the support of the Council of Europe:

- covers representatives of different ethnic identities of Ukraine, including national minorities (communities) of Ukraine, indigenous peoples of Ukraine, as well as persons belonging to the Roma national minority (community) of Ukraine;
- complements the legislative framework for ensuring the rights of persons belonging to national minorities (communities) of Ukraine, updated in accordance with international commitments and Council of Europe standards during 2022-2024;
- is based on the recommendations of the European Commission's Report on Ukraine within the framework of the 2024 Enlargement Package in the field of ensuring the protection of the rights of national minorities (communities), in particular the Roma minority (community);



- reflects the proposals of the Council of Public Organizations of National Minorities (Communities) of Ukraine, submitted to the President of Ukraine during his meeting with the Council in December 2024;
- provides for the consideration of all 11 proposals of the Hungarian party on the development of issues related to the protection of the rights of national minorities (communities) of Ukraine.

## Implementation of the European Commission's recommendations under the EU Enlargement Package

In order to systematically implement the recommendations provided by the European Commission to Ukraine within the framework of the 2023 EU Enlargement Package, the Cabinet of Ministers of Ukraine adopted Resolution "On approval of the action plan for the implementation of the recommendations of the European Commission presented in the Progress Report for Ukraine within the framework of the 2023 EU Enlargement Package" No. 133-r of February 9, 2024.

This action plan comprises about 350 measures to adapt national legislation to the EU legislation and to strengthen institutional and administrative capacity within the framework of the negotiating chapters, divided into 6 clusters.

The results of the implementation of this action plan were reflected in Ukraine's contributions to the European Commission's Report on the 2024 EU Enlargement Package, which were sent to Brussels on April 24 and September 9, 2024.

Moreover, measures of the action plan for the implementation of the European Commission's recommendations were included in the digital module for monitoring the implementation of Ukraine's and/or the Cabinet of Ministers of Ukraine's obligations to the European Union, foreign states and international organizations (reform matrix) in accordance with Resolution of the Cabinet of Ministers of Ukraine "Some issues of monitoring the implementation of the reform matrix" No. 634 of June 4, 2024 in order to streamline and promptly track the implementation of Ukraine's obligations on the European integration and properly inform the international partners.

On October 30, 2024, the European Commission published the 2024 Enlargement Package Report on Ukraine, which assessed Ukraine's progress in approximating its legislation to the EU law and evaluated the dynamics of reforms. The report recognized Ukraine's commitment to fundamental reforms and systemic transformation processes, especially in the areas of rule of law, human rights, and the fight against corruption, and noted Ukraine's efforts and progress in the context of sectoral integration and access to the EU internal market.

The report confirmed Ukraine's progress in implementing reforms and meeting the criteria in most of the negotiating chapters over the year. It is worth noting that none of the European Commission's assessments contain data on Ukraine's backsliding, which sometimes happens in the practice of candidate states.

The European Commission noted Ukraine's achievements in ensuring the principle of integrity and merit-based selection within the judiciary, as well as strengthening the anti-



corruption institutional framework and enhancing the results of high-profile investigations into corruption cases. At the same time, the importance of maintaining this positive momentum was emphasized.

According to the Report, Ukraine has demonstrated the greatest progress in implementing reforms under the negotiating chapters of Cluster 3, Competitiveness and Inclusive Growth. In particular, the following chapters demonstrate significant improvement compared to the last year's report: 16 "Taxation", 17 "Economic and Monetary Policy", 20 "Enterprise and Industrial Policy", 25 "Science and Research", 28 "Consumer and Health Protection".

The key message of the last year's European Commission Report is the interconnection of reforms within the framework of the EU membership negotiations and in the context of the country's recovery and modernization in accordance with the Reform Plan under Ukraine Facility. This interconnection encourages approximation to the EU norms and simultaneously the country's recovery and modernization.

The report contains a recommendation to open the first cluster in negotiations with Ukraine during the Polish presidency of the EU Council (January-June 2025).

Taking into account the new assessment of the European Commission, a new action plan will be developed to implement the recommendations of the European Commission presented in the Report on Ukraine within the framework of the 2024 EU Enlargement Package, which will outline the priorities for further reforms and detailed steps for their implementation.



### **SECTION II.**

# ACTIVITIES OF BILATERAL BODIES OF THE ASSOCIATION AND HIGH-LEVEL DIALOGUE BETWEEN UKRAINE AND THE EU



#### THE EU-UKRAINE BILATERAL BODIES OF ASSOCIATION

In accordance with Section VII "Institutional, general and final provisions" of the EU-Ukraine Association Agreement, the Parties hold regular meetings of the Bilateral Bodies of Association.

During 2024, the Parties held a number of joint meetings within the framework of subcommittees of the EU-Ukraine Association Committee, including the EU-Ukraine Association Committee in Trade Configuration and Dialogues. A wide range of sectoral issues were discussed during the meetings.

In particular, in view of granting Ukraine the status of a candidate country for accession to the European Union, the EU Party's functions of coordinating the work of bilateral bodies of association in 2024 were transferred from the European External Action Service to the European Commission. The functions of the secretariats of Ukrainian Party were provided by the Government Office for Coordination of European and Euro-Atlantic Integration of the Secretariat of the Cabinet of Ministers of Ukraine (the EU-Ukraine Association Committee, subcommittees and dialogues) and the Ministry of Economy of Ukraine (Association Committee in Trade Configuration, subcommittees and dialogues).

The Subcommittee on Economic and Other Sectoral Cooperation of the EU-Ukraine Association Committee works on a cluster basis. The following activities were carried out in 2024:

8th meeting of Cluster 6 (Cooperation in employment, social policy and equal opportunities, health), January 31, 2024, videoconference Brussels - Kyiv.

#### Main results:

- The EU Party was informed about measures and reforms in the healthcare, social, employment and labour market sectors, social dialogue, occupational safety and health, socio-economic integration of internally displaced persons, decentralization of social services, non-discrimination and gender equality.
- The EU Party was also informed about active implementation of digital tools and new projects aimed at overcoming major social challenges.
- The EU Party noted tangible progress in Ukrainian legislation approximation to the EU law and reforms in these areas and positive changes that had taken place in Ukraine, despite the extraordinary challenges faced by all sectors due to the military aggression of the Russian Federation.

9th and 10th meetings of Cluster 3 (Energy cooperation, including nuclear issues, environment, including climate change and civil protection, transport), February 21-22, 2024 and December 03, 2024, videoconferences Kyiv - Brussels, Brussels - Kyiv, respectively.

#### Main results:

• The EU Party was informed about the progress of approximation of Ukrainian legislation to the EU acquis in the areas of energy, transport, environmental protection and climate change, and civil protection. The progress in the



implementation of the Association Agreement in these areas was noted and the importance of further active cooperation with the EU in these areas was emphasized.

- The EU Party emphasized the importance of cooperation within the Energy Community and noted that due to the work on implementation of the EU energy legislation, which is a part of the Energy Community regulatory framework, significant progress has been made in the implementation of the EU energy legislation, which is a part of the negotiating chapter 15 "Energy".
- The EU Party was informed about the devastating attacks of the Russian Federation on segments of Ukraine's energy and gas infrastructure and the risks posed to the nuclear sector by Russia's occupation of the Zaporizhzhya NPP.
- Nuclear and energy security issues, the status of synchronization of Ukraine's electricity sector with the EU market, renewable energy reform, and energy efficiency of buildings were discussed.
- Legislative initiatives on harmonization of Ukrainian legislation with the EU transport legislation were brought to the attention of the EU Party.
- Information on the scale of environmental damage caused by the military aggression of the Russian Federation against Ukraine has been updated.
- The EU Party was familiarized with the status of Ukraine's fulfilment of its obligations under the Paris Climate Agreement.
- Information on the adoption of the National Energy and Climate Plan until 2030 was provided.
- The European Commission assured of its continued support for Ukraine's acquisition of partner country status in the European Environment Agency.
- Special attention was paid to the issues of cooperation between Ukraine and the EU in the field of risk management in the process of disaster relief and civil protection.

### 9th meeting of the Human Rights Dialogue, April 25, 2024, mixed format, Kyiv

- The EU and Ukraine Parties discussed the observance of human rights in Ukraine in the context of the full-scale military aggression of the Russian Federation, ensuring accountability for war crimes and crimes against humanity committed as a result of the war, children's rights, gender equality, prevention of gender-based violence, etc.
- The EU Party emphasized the importance of bringing to justice those responsible for violations of international humanitarian law. The parties discussed continued cooperation in documenting international crimes committed by the Russian Federation and noted the need for further coordination in the investigation of these crimes, in particular, creation of a joint database.
- The EU Party was informed about further support for Ukrainian citizens and implementation of the relevant humanitarian system aimed at ensuring the basic needs of internally displaced persons, imposing sanctions for the aggression of



the Russian Federation and human rights violations, as well as continuing work on expanding the imposed sanctions.

7th meeting of Cluster 2 (Industrial and entrepreneurial policy, mining and metallurgy, tourism, space, legislation on companies and corporate governance, consumer protection, taxation), October 22, 2024, videoconference Brussels - Kyiv

- The EU Party was informed about the approval of the Strategy of Recovery, Sustainable Development, and Digital Transformation of Small and Medium-Sized Enterprises (SMEs) in Ukraine until 2027 and the approval of the Action Plan for its implementation in 2024-2027.
- Information was provided on the current status of Ukraine's tourism industry in the
  context of long-term armed aggression by Russia. The difficult material and technical
  situation of the hospitality sector due to the partial occupation of the most important
  tourist regions of Ukraine and the destruction or damage to the infrastructure of hotel
  complexes as a result of shelling was emphasized.
- The close bilateral cooperation on critical raw materials was noted, in particular within the framework of implementation of the Memorandum of Strategic Partnership in the raw materials sector. The importance of Ukraine's participation in the European Critical Raw Materials Act by 2030 was emphasized.
- The information was provided on the status of cooperation in space in the following areas: Earth observation (Copernicus program), satellite navigation (EGNOS), and the EU Framework Program for Research and Innovation Horizon-Europe. The agreement on promising projects with the European Space Agency (ESA), in which Ukraine may participate in 2025, was announced.
- The prospect of a joint internship program with ESA for young Ukrainian scientists who had the opportunity to implement their research on space topics in ESA centres was outlined.
- The EU Party confirmed its readiness to exchange information in order to improve the
  capabilities of Ukrainian institutions to participate in Horizon-Europe projects in the
  space sector, as well as to further deepen cooperation in the areas provided for in the
  Space section of the Association Agreement.
- The participants were informed in detail about the laws adopted by the Verkhovna Rada of Ukraine in 2023-2024, which introduced amendments to the tax legislation of Ukraine aimed at supporting Ukrainian business and ensuring its ability to withstand the challenges of war, harmonizing national legislation with the EU law, and replenishing the state budget revenues.
- The Parties agreed to continue work on updating Annexes XXXIV and XXXVI to the Association Agreement.
- The Parties agreed to take measures to update Annex XXXV to the Association Agreement.
- The Parties agreed to strengthen cooperation and exchange information in order to



involve Ukraine, as an EU candidate country, more closely in the European consumer protection policy.

8th meeting of Cluster 1 (Macroeconomic cooperation, public finance management: budget policy, internal control and external audit, statistics, accounting and audit, countering fraud), November 08, 2024, videoconference Kyiv – Brussels

#### Main results:

- Information was provided on the positive trends in economic growth and the main signs of macroeconomic stabilization that had taken place in the first half of 2024, trends in foreign trade, price dynamics, migration and labour market situation.
- The forecast of economic and social development of Ukraine for 2025-2027, which had been used in the development of the draft Law of Ukraine "On the State Budget of Ukraine for 2025" was presented.
- The EU Party was informed about the vision of the main directions of development in the medium term and the implementation of the Ukraine Plan within the Ukraine Facility.
- The Parties exchanged views on the policy measures necessary to increase tax revenues, including measures within the framework of the National Revenue Strategy.
- The EU Party was informed about the main problems in the labour market, with a focus on labour shortages and informal employment, as well as potential solutions.
- Information was provided on the impact of the war on financial stability (deposits, asset quality, including sovereign assets and capital adequacy, bank restructuring and resolution) and the situation with state-owned banks.
- Recent developments in the regulation of the financial sector in Ukraine (implementation of the public finance management strategy; state internal control, including internal and external audit) were discussed.
- Further actions on the implementation of the counter-fraud provisions of the Association Agreement have been defined.
- The progress made in the production and publication of statistics, including in the framework of the implementation of the Statistics section of the Association Agreement, was noted.
- The EU Party acknowledged the appropriate level of bilateral cooperation in the above-mentioned areas, noted the progress made by Ukrainian Party in reforming the above-mentioned areas, and expressed hope for further implementation of largescale reforms in Ukraine.

9th meeting of Cluster 4 (Science and technology, information society, audio-visual policy, education, training and youth, culture, cooperation in sports and physical culture), November 20, 2024, mixed format, Brussels – Kyiv



#### Main results:

- The Parties discussed the issues of sectoral transformations in the areas of science and technology, information society, audio-visual policy, education, training and youth, culture, sports and physical culture; the status of implementation of the European Commission's recommendations presented in Ukraine's Progress Reports within the framework of the 2023 and 2024 EU Enlargement Packages, the status of approximation of Ukrainian legislation to the EU law.
- Ukraine's policies and activities in education were discussed, in particular vocational education and training, as well as digital transformation, involvement of Ukrainian participants in Erasmus+ 2021-2027 competitions, including the EU's support for Ukraine and recent changes in the EU's policy in education, the activities of the Government of Ukraine in the field of youth, including Ukraine's participation in Erasmus+ Youth and the European Solidarity Corps.
- Ukraine's policies on participation in the Creative Europe program and in cultural heritage, recent developments in research and innovation, including participation in the Horizon Europe program, recent updates and achievements of Ukraine in the information society were discussed.
- The EU Party noted Ukraine's significant progress in harmonizing its youth and sports policies with those of the EU and the great interest of Ukrainian NGOs in the EU Erasmus+ program, informing that in 2025 Ukraine will be involved in more projects of this program.
- The EU Party has announced a special call for proposals for Ukraine in 2025 with a total amount of support of EUR 5 million to support Ukraine's cultural and creative sectors.

9th meeting of the Subcommittee on Justice, Freedom and Security of the Association Committee, November 26, 2024, mixed format, Kyiv

#### Main results:

- The EU Party was informed about Ukraine's steps aimed at implementing systemic sectoral reforms in rule of law reform, implementation of the anti-corruption strategy and state program, judicial cooperation, investigation and prosecution of the crime of aggression and other international crimes committed in the context of Russia's aggressive war against Ukraine, prevention and fight against organized crime and other crimes, border management, migration and asylum, personal data protection.
- The EU Party noted Ukraine's progress in implementing reforms and assured of further support for Ukraine on its European integration path. The importance of continuing efforts to fight corruption and reform the judiciary and law enforcement system was emphasized..

9th meeting of Cluster 5 (Agriculture and rural development, fisheries and maritime policy, Danube region, cross-border and regional cooperation), December 12, 2024, mixed format. Brussels



#### Main results:

- Information was provided on the progress made in the development and adoption of the Strategy for the Development of Agriculture and Rural Areas in Ukraine until 2030, covering strategic goals to ensure sustainable development of agriculture and rural areas, and competitive, sustainable and diversified agri-food sector in Ukraine, as well as on the main steps towards the establishment of the Payments Agency.
- Additional information was provided on the Action Plan for the implementation in 2025-2027 of the Strategy for the Development of Agriculture and Rural Areas in Ukraine until 2030, as well as on the main legislative acts regarding agriculture and rural development adopted in 2024, and on the plan of legislative work for 2025-2026.
- Measures for the implementation and operation of the Land Plot Identification System (LPIS), and the Farm Sustainability Data Network (FSDN), the Integrated Administration and Control System (IACS) and the development of related legislation were discussed.
- The issues of deepening cooperation within the Interreg, Interreg NEXT, and URBACT programs were discussed.
- The achievements of Ukrainian Party in fisheries, in particular the electronic system "eFish", were presented.

### 9th meeting of the Association Committee in the Trade Configuration, November 05, 2024, mixed format, Brussels

- It was noted that the Government of Ukraine regularly informs the European Party on the progress in finalizing the draft Law of Ukraine "On Public Procurement". It was emphasized that the comments provided by the EU Party to the draft Law of Ukraine "On Public Procurement" had been taken into account in order to ensure that the draft law complied with the requirements of the EU Directives 2014/24 and 2014/25.
- An agreement was reached to adopt a Priority Action Plan for the implementation of the EU-Ukraine Deep and Comprehensive Free Trade Area for 2025-2026, including measures related to the negotiation process on Ukraine's membership in the EU.
- The Parties noted the approval by the Association Council of the implementation by Ukraine of Phases 1 and 2 of Annex XXI-A to Chapter 8 of the Association Agreement, as well as the signing of the relevant decisions. It was announced that the Parties would proceed with the implementation of Phases 3, 4 and 5 of Annex XXI-A to Chapter 8 of the Association Agreement, which provide for further harmonization of national public procurement legislation with the EU acquis and gradual opening of public procurement markets in Ukraine and the EU.
- An important achievement was the transfer to the EU Party of a package of documents containing Ukrainian regulations and relevant comparative tables ("transposition tables") for a comprehensive assessment of the compliance of national roaming legislation with the EU law. In case of a positive assessment by the EU Party, Ukraine will be able to obtain the EU internal market treatment in terms of roaming.



- Following the discussion of technical regulation issues, the Parties noted Ukraine's progress in implementing 20 EU's recommendations in this area, 7 of which were prioritized. It was agreed that after the implementation of the last of the priority recommendations, namely, the adoption of the updated Law of Ukraine "On Market Surveillance", the EU Party would conduct an official assessment and agree on the start of negotiations on the conclusion of the Agreement on Conformity Assessment and Acceptance of Industrial Products (hereinafter ACAA Agreement).
- Ukrainian Party emphasized its readiness to start discussions with the new European Commission on possible formats of further tariff liberalization of trade within the mechanism provided for in Article 29(4) of the Association Agreement.

### 3rd meeting of the High Level Transport Dialogue between Ukraine and the EU, March 21, 2024, mixed format, Kyiv

#### Main results:

- The EU Party was informed about the status of approximation of Ukrainian legislation to the EU law in transport and emphasized the importance of further active cooperation with the EU in this area.
- Information was provided on the progress made in the implementation of the Association Agreement in transport and it was noted that Ukrainian Party highly appreciated the assistance of the EU and the Transport Community (TC) in the process of adaptation of Ukrainian legislation to the EU requirements.
- The EU Party was briefed on the current state of Ukraine's transport sector, the extent of damage and destruction caused to Ukraine's transport infrastructure as a result of massive targeted military attacks by the Russian Federation army and their damage to the functioning of Ukraine's transport system.
- The implementation of the EU's Solidarity Lanes initiative, cooperation under the Connecting Europe Facility (CEF), and the updating of Trans-European Network (TEN-T) maps and the resumption of air traffic were discussed.

## 7th meeting of the EU-Ukraine Sub-Committee on Trade and Sustainable Development, June 11, 2024, videoconference Brussels - Kyiv

- The Parties discussed the results of activities related to the implementation of Chapter 13 "Trade and Sustainable Development" of Title IV "Trade and Trade-Related Matters" of the Association Agreement.
- The EU Party was familiarized with the main challenges in employment, including the impact of mobilization on the labour market, structural unemployment, and the emergence of a significant labour deficit, especially in traditionally "male" professions.
- The environmental, climate change and renewable energy issues were also discussed during the event as part of the implementation of trade and sustainable development goals.



### 7th meeting of the EU-Ukraine High Level Dialogue on Horizontal and Industrial Issues, June 28, 2024, videoconference Brussels - Kyiv

#### Main results:

- Problematic issues of the Ukrainian extractive industry and opportunities for attracting EU investment were discussed.
- The participants exchanged views on the mechanisms for recovery of Ukrainian metallurgical industry, which suffered significant losses as a result of Russia's full-scale war against Ukraine.
- Prospects for intensifying cooperation with a view to concluding the ACAA Agreement were discussed.
- Current issues of cooperation in public procurement were discussed.
- Information was provided on existing and potential EU instruments to support domestic SMEs.
- The issue of providing by the EU and placing solar panels and batteries on the territory of Ukraine in the context of electricity shortage due to large-scale destruction of energy facilities was considered.
- Information was provided on the problematic issues of Ukrainian construction industry, and recycling and disposal of asbestos-containing materials.
- Information was provided on business opportunities in Ukraine and the needs of Ukrainian business in wartime.

### 8th meeting of the Subcommittee on Customs Cooperation, October 08, 2024, videoconference Brussels - Kyiv

- The EU Party was informed about changes in the customs legislation, and strategic documents aimed at harmonizing Ukrainian customs legislation with the EU customs legislation, implementing IT systems compatible with the EU IT systems, and enhancing the institutional capacity of the customs to implement European legislation.
- Ukraine's significant progress in all areas of work was noted, in particular in terms of approximation of legislation to the EU customs legislation, development of IT systems, cooperation in the framework of mutual administrative assistance and finalization of the anti-corruption program of the State Customs Service of Ukraine (hereinafter - the State Customs Service).
- The parties noted the progress in the implementation of the Authorized Economic Operators (AEO) program.
- The work of Ukraine within the framework of the Convention on Common Transit Procedure was noted, in particular, the transition to the application of NCTS Phase 5.
- The EU Party was informed about Ukraine's progress in establishing the exchange of pre-arrival customs information, in particular with the EU member states.



- The effectiveness of cooperation with customs administrations on mutual administrative assistance, as well as with the European Anti-Fraud Office (OLAF) on combating customs fraud was noted.
- The issues of providing international technical assistance to Ukrainian customs, application by Ukraine of the updated Regional Convention on Pan-Euro-Mediterranean Preferential Rules of Origin, verification of EUR.1 certificates of transportation of goods were discussed.
- The EU Party was informed about the development of the IT component of the State Customs Service, as well as measures taken to protect intellectual property rights.

### 21st meeting of the EU-Ukraine Dialogue on Intellectual Property Rights, October 22, 2024, videoconference Kyiv - Brussels

#### Main results:

- The progress in the reform of intellectual property rights, development of legislation, implementation of intellectual property rights during martial law, copyright reform, collective management of property rights, development of bylaws to the law on patents and the law on plant varieties (mechanism and royalties), establishment of the High Court on Intellectual Property in Ukraine, activities of law enforcement and customs authorities; international cooperation and technical assistance of the EU were discussed.
- The Parties agreed to continue close cooperation to approximate Ukrainian legislation to the European standards of protection and enforcement of intellectual property rights, which would contribute to economic growth, recovery, support for innovation and technological development of Ukraine.

### 9th meeting of the Subcommittee on Management of Sanitary and Phytosanitary Measures, November 27, 2024, videoconference Kyiv - Brussels

- Information was provided on finalizing the recognition procedure of the effectiveness of the African swine fever control system in the European Union and further amendments to all import bans on pork products in force in the EU member states.
- It was noted that the work on approximation of Ukrainian legislation to the EU requirements on animal welfare and training of state inspectors in this area was ongoing.
- An agreement has been reached to continue work on the Ukrainian application for the import of processed bivalves.
- The issues of the Law of Ukraine "On state regulation of genetic engineering activities and state control over placing genetically modified organisms and products on the market" (No. 3339-IX), which will enter into force on September 16, 2026, and the Law of Ukraine No. 1103-V "On the state biosafety system for the creation, testing, transportation and use of genetically modified organisms"



- of May 31, 2007, in the context of circulation of unregistered varieties of genetically modified cotton plant were discussed.
- The possibility of including Ukraine in Annex II, Part 2 of Commission Implementing Regulation (EU) No 577/2013 (list of countries exempt from conducting rabies antibody testing and waiting for 3 months before transporting a pet to the EU) was discussed.
- The possibility of including Ukraine in the list of FMD-free countries in accordance with Commission Implementing Regulation (EU) 2020/2235 of December 16, 2020, to expand the list of dairy products that can be exported from Ukraine to the EU was discussed.

8th meeting of the EU-Ukraine Subcommittee on Geographical Indications, December 09, 2024, mixed format, Brussels

#### Main results:

- Ukrainian Party assured the EU Party that improvement of the national system of legal protection of intellectual property and its harmonization with the EU standards, even in the context of the aggressive war of the Russian Federation against Ukraine, remained a constant priority and noted that it was important to recognize Ukrainian geographical indications submitted by the Ukrainian Party.
- The Ukrainian Party called on the EU Party to engage in a dialogue, comments, consultations and find constructive solutions to update Annexes XXII-C and XXII-D to the Association Agreement. The EU Party reaffirmed its position on the impossibility of recognizing and protecting Ukrainian geographical indications for which the appropriate level of control was not ensured.
- The Parties exchanged information on the issues of enforcement and protection of geographical indications, adopted the operational conclusions of the Subcommittee meeting.

#### THE ASSOCIATION COUNCIL

On March 20, 2024, the European Union and Ukraine held the ninth meeting of the EU-Ukraine Association Council in Brussels. The meeting discussed the dynamics and content of bilateral relations between Ukraine and the EU, including implementation of the Association Agreement. Special attention was paid to the opening of negotiations on Ukraine's accession to the EU.

- Ukraine's position on key issues of the EU-Ukraine agenda was presented, in particular, the need to strengthen military assistance, open negotiations on Ukraine's membership in the EU (no later than June 2024), transfer to Ukraine the proceeds from frozen Russian assets, toughen sanctions pressure on Russia, and extend autonomous trade preferences for Ukraine.
- The Parties welcomed the establishment of a €50 billion Ukraine Facility for the period 2024-2027, which will contribute to the country's recovery, reconstruction and modernization, as well as creation of a €5 billion Ukraine Assistance Fund (UAF)



- under the European Peace Facility (EPF), which will provide Ukraine with both lethal and non-lethal military equipment and training.
- Ukrainian Party provided signals on Ukraine's implementation of the 4 steps set out in the Enlargement Package and critical importance of the approval by the EU Member States of the negotiation framework for Ukraine and holding the First Intergovernmental Conference in June 2024 at the latest.
- The EU Party confirmed that the work on sanctions would continue, including strengthening control over compliance with sanctions and preventing their circumvention. Ukrainian Party called to start working on the 14th package of sanctions.
- The Parties welcomed the presentation of the first European Defense Industrial Strategy, which could become a platform for Ukraine's participation in the EU initiatives. Ukraine welcomed the initiative to establish the EU Defence Innovation Office in Kyiv to further support Ukraine's defense technology and industrial capabilities and expressed its readiness to work closely with the EU to ensure its rapid implementation.
- The importance of extending autonomous trade preferences for Ukraine based on the European Commission's legislative proposal, as well as facilitation of the transit of Ukrainian agricultural products through the EU, in particular within the framework of the EU's Solidarity Lanes initiative, were discussed.
- Ukrainian Party has initiated the resumption of negotiations on a comprehensive review of the parameters of the Deep and Comprehensive Free Trade Area in accordance with Article 29(4) of the Association Agreement for the systematic normalization and development of trade between Ukraine and the EU Member States, taking into account current trade indicators.
- The Parties noted the importance of ensuring proper implementation of the mutually beneficial Agreement on the carriage of freight by road and discussed its extension for the period of 2024-2025.
- The Parties agreed to continue working on the "industrial visa-free regime" (ACAA Agreement), and on raw materials and participation in the EU Industrial Alliance.
- The Parties reaffirmed their commitment to further develop Ukraine's sectoral integration with the EU through the gradual accession of key sectors of the Ukrainian economy to the EU internal market at the pre-accession stage.
- The Ukrainian Party expressed its interest in joining the EU Agency for Fundamental Rights (FRA) as an observer. Both Parties agreed to continue discussions in order to finalize the process as soon as possible.

On the side lines of the ninth meeting of the Association Council, the Agreement between Ukraine and the European Union on Ukraine's participation in the EU Anti-Fraud Program and the Memorandum of Understanding on Cooperation on Hydropower Projects in Ukraine between the European Investment Bank and Ukrhydroenergo were signed.



### **SECTION III.**

### THE EU'S ASSISTANCE TO UKRAINE



The EU remains one of the key partners that provides Ukraine with unprecedented financial, technical, humanitarian, military assistance, and political support on the path to the EU accession.

#### THE STRUCTURE OF INTERNATIONAL TECHNICAL ASSISTANCE FROM THE EU

At present, assistance to Ukraine is provided under 381 EU technical assistance projects (completed state registration) for a total amount of approximately EUR 992.5 million, implemented through national and regional EU assistance programs, cross-border cooperation programs, Twinning mechanism, Erasmus+ education program, Creative Europe program, Connecting Europe Facility (CEF), Life, EU4Health, Instrument for Nuclear Safety and sectoral budget support program for a total amount of EUR 90 million in public administration.

#### UKRAINE'S PARTICIPATION IN THE EU PROGRAMS

The EU has supported Ukraine's initiative to join the EU programs, which opens up wide opportunities for financing joint projects with the EU member states in various fields, participating in joint events on experience exchange, training, coordinating reforms in various sectors of the economy, and improving infrastructure on the borders with the EU member states.

In 2022-2023, Ukraine and the EU signed international agreements on Ukraine's participation in 13 programs for the period of 2021-2027.<sup>1</sup>

The Agreement (in the form of an exchange of letters) between Ukraine and the European Union on the suspension of Ukraine's obligations to pay financial contributions under agreements on accession to the EU programs ratified by the Law of Ukraine No. 4137-IX dated 05.12.2024 provides for the suspension of Ukraine's financial obligations to pay financial contributions for participation in the EU programs and cancellation of amounts receivable, which will save approximately UAH 3.16 billion of the state budget of Ukraine in 2021-2027.

The total amount of assistance to Ukraine from the EU in 2024 is \$813.3 million.<sup>2</sup>

### LEGAL FRAMEWORK FOR COOPERATION AND INTERNATIONAL AGREEMENTS SIGNED IN 2024

In 2024, Ukraine and the EU signed 9 international agreements on financing new and continuing existing EU assistance programs for Ukraine, including:

 agreement on the launch of a new program "Technical Cooperation Program for Ukraine for 2024" (142.5 million euros) to (1) strengthen the institutional and administrative capacity of Ukrainian state authorities to coordinate and implement reforms, provide services, continue the country's recovery, (2) restore energy infrastructure damaged as a result of military aggression of the Russian Federation,



<sup>&</sup>lt;sup>1</sup>Creative Europe, the Horizon Europe Framework Programme for Research and Innovation and the European Atomic Energy Community's Research and Training Programme, LIFE - Programme for the Environment and Climate Action, Digital Europe, and the Customs Cooperation Programme, Fiscalis, Single Market, Civil Protection Mechanism, Connecting Europe, EU4Health, Anti-Fraud, Rights and Values, Justice, and Justice-related programs.

<sup>&</sup>lt;sup>2</sup> At the exchange rate of the National Bank of Ukraine as of January 01, 2024.

- (3) strengthen the capacity of civil society organizations and media to participate in the reform process, raise awareness of the population of Ukraine;
- two additional agreements for additional budgetary support to Ukraine to be allocated to the general fund of the State Budget of Ukraine for a total amount of EUR 150 million, including: €50 million to repair and improve port infrastructure, €65 million to finance free meals for 703,000 primary school students in grades 1-4 in 2025 under the new free meals program for primary school students announced by President of Ukraine Volodymyr Zelenskyy, €15 million to the Agency for Restoration to finance infrastructure rehabilitation measures, and €20 million to the Ministry of Agrarian Policy and Food of Ukraine to ensure food security. The funds were transferred in December 2024;
- six additional agreements to amend existing agreements, in particular to extend the duration of the following programs: "EU Support for Recovery and Reform", "Support for Civil Society and Culture", "Annual Action Programme for Nuclear Safety Cooperation 2020", "Technical Cooperation Program 2019", "Support to Comprehensive Reform of Public Administration in Ukraine", "EU Emergency Support Program for Ukraine".

#### **UKRAINE FACILITY**

In 2024, Ukraine and the EU updated the legal framework for cooperation in international technical assistance by signing the Framework Agreement between Ukraine and the European Union on special mechanisms for the implementation of the EU funding for Ukraine under Ukraine Facility,<sup>3</sup> which supplemented the framework conditions for cooperation between the parties provided for in the Framework Agreement between the Government of Ukraine and the Commission of the European Communities of December 12, 2006.

According to the European Commission, Ukraine will have a budget deficit of about  $\leq$ 60 billion by 2027. The needs for rapid recovery are about  $\leq$ 50 billion. Thus, the total needs amount to  $\leq$ 110 billion by 2027. In view of this, the EU Party has proposed to cover about 45% of these needs, which will amount to about  $\leq$ 50 billion.

Pursuant to Regulation (EU) No. 2024/792 of the European Parliament and of the Council of 29 February 2024, the European Union has introduced a new Financial Instrument for Ukraine - Ukraine Facility, worth EUR 50 billion for 2024-2027. These funds will be used to finance the state budget, stimulate investment, and provide technical support for the implementation of the program.

Ukraine Facility program has three components:

- I. Ukraine Plan a technical document required for the implementation of the program (direct support from the state budget EUR 38.27 billion, of which EUR 33 billion in the form of loans and EUR 5.27 billion in the form of grants).
- II. Investment Fund a special investment instrument to stimulate investment in priority sectors (EUR 6.97 billion). Funding under this instrument will be provided by the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB) and other international institutions.
- III. Technical and administrative support aimed at implementing structural reforms on the path to Ukraine's full membership in the EU, building the capacity of public

<sup>&</sup>lt;sup>3</sup>The Agreement was ratified in accordance with the Law of Ukraine No. 3786-IX of June 06, 2024, entered into force on June 20, 2024.



authorities at the national, regional and local levels, as well as covering interest on loans under the instrument (EUR 4.76 billion).

For the implementation of the first component of Ukraine Facility, the Government approved the Ukraine Plan (Resolution of the Cabinet of Ministers of Ukraine No. 244 of March 18, 2024), which contains 15 sectoral chapters with a list of reforms and, if necessary, investments that take into account the needs for post-war recovery, reconstruction and modernization of Ukraine, measures (conditions) for their implementation and relevant steps.

In total, the Plan for Ukraine Facility includes 151 steps (including 16 investment steps) in 69 areas of reform, which are scheduled to be implemented by 2027.

A total of 36 steps were envisaged for 2024:

- Q1: 5 steps completed, positive assessment from the EU.
- Q2: 9 steps completed, positive assessment from the EU.
- Q3: 9 steps completed, positive assessment from the EU.
- Q4: 13 steps completed, report sent to the EU for evaluation on January 15, 2025.



In 2024 EUR 16,1 billion were received from the EU under Ukraine Facility Instrument tranche

#### EXTRAORDINARY REVENUE ACCELERATION (ERA)

As part of the Group of Seven countries' loan initiative for Ukraine to provide additional financing to increase Ukraine's budget revenues (Extraordinary Revenue Acceleration, ERA) in the amount of USD 50 billion, which will be repaid from the proceeds of the frozen Russian sovereign assets, Regulation (EU) 2024/2773 of the European Parliament and of the Council of 24 October 2024 establishing Ukraine Loan Cooperation Mechanism and providing exceptional macro-financial assistance to Ukraine was adopted.



In order to establish the framework for bilateral and multilateral cooperation for the implementation of the said EU Regulation, the Parties concluded an Agreement between Ukraine and the EU on the implementation of Ukraine Loan Cooperation Mechanism on December 03, 2024.<sup>4</sup>

On December 04, 2024, the Parties signed a Memorandum of Understanding between Ukraine, as the Borrower, and the EU, as the Lender, and a Loan Agreement between Ukraine, as the Borrower, and the National Bank of Ukraine, as the Borrower's Agent, and the EU, represented by the European Commission, as the Lender (for Ukraine to receive exceptional EU macro-financial assistance in the amount of up to EUR 35 billion), which provide for the possibility for Ukraine to obtain additional concessional long-term loans from the EU totalling up to EUR 18.1 billion, repayable from the proceeds of the frozen Russian sovereign assets, and therefore such funds, although having the status of a loan, will in fact be provided to Ukraine on a grant basis.

This financial resource coming to Ukraine from the EU, similar to the previous EU macro-financial assistance programs (implemented in 2014-2023), will be used to cover the state budget deficit/ financing of the general fund expenditures of the state budget.

#### FINANCIAL ASSISTANCE FROM INTERNATIONAL FINANCIAL ORGANIZATIONS

In 2024, the following international agreements with the EBRD and KfW were concluded and/or entered into force:

On July 16, 2024, the Guarantee Agreement (Project "Financing of Strategic Gas Reserves of NJSC Naftogaz of Ukraine") between Ukraine and the EBRD and the Loan Agreement dated November 22, 2023 between NJSC Naftogaz of Ukraine and the EBRD (entered into force on August 09, 2024) were concluded, which will allow NJSC Naftogaz of Ukraine to attract a loan of EUR 200 million for the procurement of imported natural gas, creation of strategic gas reserves and support of liquidity and sustainability of NJSC Naftogaz of Ukraine.

On December 6, 2024, the Guarantee Agreement (Emergency Distributed Generation Support Project) between Ukraine and the EBRD and the Loan Agreement between PJSC Ukrnafta and the EBRD were signed (entered into force on December 31, 2024), which will allow PJSC Ukrnafta to attract an EBRD loan in the amount of EUR 80 million to finance the supply and installation of cogeneration units for the generation of electricity and heat in the western and central regions of Ukraine.

On February 17, 2024, the Guarantee Agreement (Emergency Hydropower Plants Restoration Project) between Ukraine, the EBRD and the Government of Italy and the Loan Agreement between Ukrhydroenergo and the EBRD (entered into force on January 23, 2025) for EUR 200 million to finance the supply and installation of critical equipment for Dnipro and Seredniodniprovska hydroelectric power plants and to support the liquidity and sustainability of Ukrhydroenergo's operations were signed.

On June 10, 2024, the Cabinet of Ministers of Ukraine, acting on behalf of Ukraine (the "Guarantor"), and KfW, Frankfurt am Main (hereinafter KfW) entered into a Guarantee Agreement under the project "Improvement of the Efficiency of Electricity Transmission IV (Integration of the Ukrainian Integrated Power System into the European Grid) " for the amount of EUR 30.4 million to finance the integration of the Ukrainian integrated power system into the European integrated power system and related activities.



<sup>&</sup>lt;sup>4</sup> Ratified by the Law of Ukraine No. 4121-IX of December 05, 2024

In 2004, Ukraine launched cooperation with the EIB to create a regulatory framework for attracting its resources to implement infrastructure, energy, environmental and other investment projects.

As of December 31, 2024, the EIB's public sector project portfolio comprised 26 projects with a total volume of EUR 5.2 billion. A total of  $\le 3,096.4$  million has been disbursed under these projects, including  $\le 1,722.6$  million in 2022,  $\le 261.74$  million in 2023 and  $\le 247.49$  million in 2024.

In addition, 2 projects with a total volume of EUR 18.11 million are under implementation, financed by a grant from the Eastern Europe Energy Efficiency and Environment Partnership (E5P, EIB is the E5P Fund Administrator), of which EUR 8.36 million has been disbursed.

### Cooperation with international financial organizations in the framework of public investment management reform

The public investment management reform, developed jointly with international partners, envisages: clear definition and strategic planning of public investments for the medium term and their ultimate integration into the budget process; unified approaches to the preparation, evaluation and prioritization of public investment projects regardless of sources and mechanisms of financing; digitalization of processes and creation of centres of expertise as the main tools to increase the capacity of all levels of government to manage public investments.

As part of the reform, an IT architecture for public investment management was created on the basis of an updated methodological framework consisting of the DREAM system (a single project bank), the Ministry of Finance's IT system (planning and monitoring of the implementation of state and local budgets, reflection of projects approved for financing in the budget, and the register of IFI projects), the E-Treasury system (project financing), and ProZorro e-procurement system (planning and implementation of public procurement).

To date, the Government has already approved an action plan for the implementation of the Roadmap for Public Investment Management Reform for 2024-2028 and established the Strategic Investment Council. In addition, the Cabinet of Ministers of Ukraine adopted a Resolution defining the specifics of preparation and prioritization of concepts for the formation of a single project pipeline for public investments (list of priority public investment projects) for 2025.

To date, 787 project concepts have been reviewed by the Ministry of Economy of Ukraine, the Ministry of Finance and the Ministry of Community and Territorial Development, and a single project pipeline has been formed, which has been approved by the Strategic Investment Council as the main source of projects for domestic and external financing, including Section II of Ukraine Plan (Ukraine Facility).

In addition, jointly with the EU, the World Bank, and other development partners, the development of the Project Preparation Framework (hereinafter PPF) was launched.

Proper preparation of investment projects is fundamental to ensuring effective financing of Ukraine's recovery and EU accession needs.

The Government of Ukraine and the international financial institutions (EIB, EBRD



and World Bank Group) are working on developing a Framework Program to coordinate the preparation of projects through various Project Preparation Facilities (PPFs) established by international financial institutions and other donors. This mechanism will help the Government of Ukraine prioritize the use of limited resources available for project preparation, avoid the risk of double funding of projects or circumventing the Government of Ukraine's public investment management process, and reduce the burden on beneficiaries (ministries and local communities) to seek funding on their own.

The proposed concept of the Framework Program, including the structure and key principles, has already been sent to the Cabinet of Ministers of Ukraine pursuant to the instructions following the meeting of the Steering Committee of the Ukraine Donor Platform on October 9, 2024.

#### THE EU'S ASSISTANCE TO COUNTER RUSSIAN MILITARY AGGRESSION

The EU continues its consistent cooperation with international partners to ensure that Ukraine receives sufficient material support during the war with Russia. The EU intends to continue to provide significant political, financial, economic, humanitarian, military and diplomatic support to Ukraine for as long as it is needed.

Since the beginning of Russia's aggressive war, the EU, its member states and European financial institutions, guided by the Team Europe approach, have allocated about €145 billion in financial, humanitarian, emergency, budgetary and military support. In 2024, the total amount of direct assistance to Ukraine amounted to € 16.5 billion (of which \$ 16.4 billion was disbursed).

Economic and financial support includes:

- € 67.7 billion in financial and budgetary support and humanitarian aid;
- €50 billion under the Ukraine Facility program;
- creation of trade facilitation instruments through Ukraine's participation in the EU programs;
- creation of trade facilitation instruments through Ukraine's participation in the EU programs Connecting Europe, Single Market and Horizon 2020, Single Market and Horizon 2020.

#### **Solidarity Lanes**

The Solidarity Lanes initiative was launched in May 2022 to enable Ukraine to export grain and other agricultural products and import the goods it needed, from humanitarian aid to animal feed and fertilizers.

This initiative allowed Ukraine to export about 170 million tons of goods and import about 68 million tons of goods. The total volume of trade under this initiative since May 2022 has amounted to about €206 billion, including €145 billion of imports to Ukraine.



#### Protecting people from the war

The EU has introduced the Temporary Protection Directive, which gives people, who were forced to leave Ukraine for the EU countries because of the war, the right to reside, access the labour market, health care and education of children in the EU.

More than 4 million people have been granted temporary protection in the EU. Up to €17 billion provided to the Member States to meet the needs of the displaced people from Ukraine.

#### **Humanitarian aid**

The European Commission has allocated about €1.1 billion for humanitarian aid programs. The EU's humanitarian aid supports shelter, multi-purpose cash assistance, healthcare, food aid, emergency education, water and sanitation.

More than 154,000 tons of humanitarian aid were delivered to Ukraine through the EU Civil Protection Mechanism, as well as more than 8,900 power generators.

#### Military support

The EU's assistance to Ukraine, provided under the European Peace Facility and directly by the EU member states, amounts to about €48.7 billion. The assistance includes, in particular: support for nuclear safety; demining; support for the prosecution of war crimes and other most serious crimes in Ukraine; diplomatic support for Ukraine; sanctions against Russia (e.g., restrictive measures and suspension of the visa facilitation agreement).

In addition, the EU Military Assistance Mission in support of Ukraine provides assistance to meet the immediate and long-term needs of the Armed Forces of Ukraine, including 73,000 Ukrainian military personnel who have received relevant military training.

EUR 1.5 billion was also provided to support Ukraine, received from frozen assets of the Russian Federation.

#### **Holding Russia accountable**

16 sanctions packages were introduced. More than 2,300 individuals and legal entities of the Russian Federation have been sanctioned, and more than EUR 25 billion of their private assets have been frozen in the EU. Also, more than EUR 210 billion of the Central Bank of Russia's assets have been frozen in the EU.



### **SECTION IV.**

# RESULTS OF IMPLEMENTATION OF THE ASSOCIATION AGREEMENT IN 2024



#### **POLITICAL DIALOGUE, NATIONAL SECURITY AND DEFENSE**



#### POLITICAL DIALOGUE

In 2024, political dialogue with the EU was highly dynamic. There were about 20 contacts at the level of the President of Ukraine and the President of the European Council, the President of the European Commission, the President of the European Parliament and the EU High Representative for Foreign Affairs and Security Policy (hereinafter referred to as the EU High Representative), as well as a number of contacts of the Prime Minister of Ukraine.

In order to promote Ukraine's membership in the EU, active contacts were maintained with the EU institutions at the level of the Deputy Prime Minister for European and Euro-Atlantic Integration of Ukraine - Minister of Justice of Ukraine O. Stefanishyna, who had eight working visits to Brussels.

Active contacts were also maintained at the level of the Minister of Foreign Affairs of Ukraine with the EU High Representative, and the Minister of Foreign Affairs of Ukraine regularly participated in meetings of the EU Foreign Affairs Council at the invitation of the EU High Representative. Important signals of support for the sovereignty and territorial integrity of our country were the visits of the EU leaders to Ukraine, in particular, two visits of the President of the European Commission Ursula von der Leyen and the visit of the President of the European Council Antonio Costa, as well as three visits of the EU High Representative Kaja Kallas.

President of Ukraine took part in all scheduled and two special meetings of the European Council in person and online.

In 2024, intensive contacts with the European Parliament continued, including within the framework of established interparliamentary mechanisms: The Parliamentary Association Committee (PAC), Euronest, COSAC, and the Jean Monnet Dialogues. The level of communication and systematic work with European parliamentarians was strengthened, which resulted in the adoption of 6 resolutions on various aspects of support for Ukraine, including Ukraine's future membership in the EU and countering Russia's aggression. It is worth noting that Ukrainian issues are among the priorities on the agenda of the new European Parliament (10th convocation). The new Parliament held relevant debates and adopted a resolution in support of Ukraine at its first meeting. President of Ukraine V. Zelenskyy took part (online) in an extraordinary session of the European Parliament on the occasion of the 1000th day of Russia's full-scale invasion of Ukraine on November 19. A number of MEPs visited Ukraine in various formats.

The third round of the EU-Ukraine Cyber Dialogue was held, during which Operational Conclusions were approved, which serve as a roadmap for the development of cooperation in the field of cybersecurity and defense.

The visit of the EU Political and Security Committee (PSC) to Ukraine was secured, which resulted in agreements on further military, financial, economic and humanitarian assistance to Ukraine.



In 2024, the level of convergence in foreign and security policy between Ukraine and the EU amounted to 96%.

#### SANCTIONS AGAINST RUSSIA

In 2024, taking into account the proposals of Ukrainian Party, the European Union adopted the 13th, 14th and 15th sanctions packages against Russia (for the first time, 79 vessels of the Russian "shadow" fleet were included in the sanctions lists under the 14th and 15th packages).

As a result, the EU has expanded the lists of individual sanctions regime to include more than 2,400 Russian individuals and companies. The EU's sectoral sanctions against Russia have been strengthened, aimed at reducing the main sources of financing the war, blocking the financial system, propaganda campaign in Europe, blocking international transportation, restricting exports/imports of dual-use products and key profitable positions of the Russian economy.

A decision was made to extend to Belarus sectoral sanctions similar to those imposed on Russia, as well as restrictive measures against Iran, with the inclusion in the sanctions list of persons and companies involved in the production and supply of UAVs to Russia.

#### PUBLIC ADMINISTRATION REFORM

At the same time, as part of the implementation of public administration reform, the reform of the civil servants' remuneration system continues, taking into account the capacity of the State Budget of Ukraine by adopting laws of Ukraine and bylaws, introducing the necessary amendments to the legislation in accordance with the indicators of Ukraine Plan approved by the Cabinet of Ministers of Ukraine on March 18, 2024, No. 244-p.

Thus, in 2024 and 2025, the transition period continues and the remuneration conditions for civil servants are introduced based on the classification of positions in accordance with the Law of Ukraine "On the State Budget of Ukraine for 2024" No. 3460-IX of November 09, 2023 and the Law of Ukraine "On the State Budget of Ukraine for 2025" No. 4059-IX of November 19, 2024.

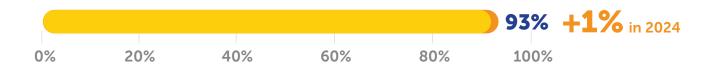
In addition, the Verkhovna Rada of Ukraine was considering the draft Law of Ukraine "On amendments to the Law of Ukraine 'On Civil Service' (Reg. No. 8222) regarding the introduction of unified approaches to remuneration of civil servants based on the classification of positions".

As part of the HRMIS implementation, 768 government agencies were connected and information on 39,665 employees was entered during the year. 1,195 agreements were signed with government agencies to provide access (connection) to the HRMIS in government agencies.

Work is underway on the draft Law of Ukraine "On amendments to certain laws of Ukraine on the resumption of competitions and improvement of the procedure for admission to, performance, and termination of civil service", including with the involvement of social partners.



#### **JUSTICE, FREEDOM, SECURITY AND HUMAN RIGHTS**



#### **JUSTICE**

Efforts continued to finalize the integrity checks of candidates for the position of members of the High Council of Justice (HCJ) by the Ethics Council. In August 2024, the Ethics Council launched the selection procedure for HCJ members to be elected by the Congress of Judges of Ukraine, as two HCJ members' terms of office expire in March 2025.

On November 25, 2024, the Competition Commission announced a competition for vacant positions of HCJ members appointed by the President of Ukraine. On December 24-25, 2024, the materials of 40 candidates were submitted to the Ethics Council to establish their compliance with the criteria of professional ethics and integrity for the position of a HCJ member appointed by the President of Ukraine.

On December 23, 2024, the HCJ Disciplinary Inspectors Service started its work, 20 disciplinary inspectors were appointed to it based on the results of the competition, and in December 2024, the HCJ also appointed the Head of the HCJ Disciplinary Inspectors Service. The HCJ Secretariat started automated distribution of disciplinary complaints against judges among disciplinary inspectors.

#### On holding competitions for vacant positions of judges

On April 29, 2024, at a meeting of the High Qualification Commission of Judges of Ukraine (hereinafter - HQCJ), a new panel of the Public Council of International Experts (hereinafter - PCIE) was elected, which included six foreign legal experts - judges and prosecutors with experience in Estonia, the USA, Lithuania, the Netherlands, and Canada. At its first official meeting, held on December 19, 2024, the PCIE elected the PCIE Chairperson and Deputy Chairperson and approved its Rules of Procedure. The qualification assessment of judges for their suitability for the position continues.

In 2024, the qualification assessment of 129 judges was completed, 92 of whom were found to be suitable for the position and 37 were found not to be suitable. In addition, a decision was made to submit to the HCJ a petition for dismissal of 2 judges due to their refusal to undergo the qualification assessment for their position.

The qualification assessment of 1,573 judges for their suitability for the position has not been completed.

Based on the results of the competition for 560 vacant positions of judges in local courts, the Commission made recommendations to the HCJ to appoint 390 candidates for the position of judges. In 2024, 367 candidates were appointed to the respective judicial positions by Decrees of the President of Ukraine. Competitive procedures for filling 550 vacant judicial positions in the courts of appeal are ongoing.



As of December 31, 2024, 1,588 candidates continue to participate in the competition for 550 vacant positions of judges in the courts of appeal.

The competition to fill 25 vacant positions of judges in the High Anti-Corruption Court is ongoing, including 15 positions of judges in the High Anti-Corruption Court as a court of first instance and 10 positions of judges in the Appeals Chamber of the High Anti-Corruption Court.

238 people applied to participate in the competition.

161 candidates for the position of judge were admitted to the qualification assessment and competition, including 100 to the High Anti-Corruption Court as a court of first instance and 61 to the Appeals Chamber of the High Anti-Corruption Court.

123 candidates who successfully passed the test on general knowledge of law and knowledge of the specialization of the relevant court were admitted to the cognitive skills test.

Forty-four candidates (25 candidates for the position of a judge of the High Anti-Corruption Court as a court of first instance, 19 candidates for the position of a judge of the Appeals Chamber of the High Anti-Corruption Court) who successfully passed the cognitive skills test were admitted to the practical task on the specialization of the respective court.

The selection of candidates for the position of a local court judge has been announced, taking into account 1,800 projected vacancies of judges in local courts. The deadline for submitting documents for participation in the selection of local court judges is from March 1, 2025 to March 30, 2025 (inclusive). The form of submission of documents is electronic (on the official website of the High Qualification Commission of Judges of Ukraine).

On October 08, 2024, the Verkhovna Rada of Ukraine adopted Law of Ukraine No. 3996-IX "On amendments to the Law of Ukraine 'On the judiciary and the status of judges' and the Law of Ukraine 'On the High Anti-Corruption Court'", which extended the term of office of the PCIE.

#### PRINCIPLES OF ANTI-CORRUPTION POLICY

On October 18, 2024, the Cabinet of Ministers of Ukraine adopted Resolution 1194, which amended the State Anti-Corruption Program for 2023-2025 (hereinafter referred to as the SACP) in order to introduce substantive and technical changes in the functionality of the internal and public parts of the information system for monitoring the State Anti-Corruption Policy.

Improving declaration, introducing civil servants' lifestyle monitoring and launching a risk-based approach to declaration verification

In 2024, a conceptual change was made to the principle of selection and screening of declarations - a risk-based approach was introduced. From now on, the selection for screening and the screening itself are based on risk assessment.

The use of analytical tools implies that the declaration of the declarant may be subject to a full review, regardless of their position. The priority is the degree of risk in the



data. This approach helps to optimize the work of anti-corruption bodies, reduces the burden on the system and contributes to more effective detection of cases of fraudulent declarations.

The reviews completed in 2024 revealed inaccurate information, signs of illicit enrichment or unjustified assets, as well as violations of conflict of interests in 50% of the completed reviews, i.e. in every second reviewed declaration. For comparison: in 2021, such violations were found in 27% of completed full reviews of declarations. This indicates that the application of a risk-based approach to the selection of declarations for full review in 2024 had a positive impact on the effectiveness of the reviews. In 2024, signs of inaccurate information were identified for UAH 3.8 billion, signs of unjustified assets for more than UAH 47 million, and signs of illicit enrichment for UAH 192.1 million.

Another effective tool of anti-corruption policy is public officials' lifestyle monitoring.

In 2024, based on the results of lifestyle monitoring, the National Agency on Corruption Prevention sent 20 cases to the Specialized Anti-Corruption Prosecutor's Office for a total of UAH 89.80 million under Article 290 of the Civil Procedure Code of Ukraine to address the issue of filing a lawsuit to recognize assets as unjustified and recover them for the state's revenue, of which 9 lawsuits for UAH 41.94 million were filed with the High Anti-Corruption Court.

Based on the lifestyle monitoring materials, the High Anti-Corruption Court and the Appeals Chamber of the High Anti-Corruption Court issued decisions recognizing assets totalling UAH 24.72 million as unjustified, which demonstrates its effectiveness.

#### State funding of political parties

In 2024, the National Agency on Corruption Prevention, as a budget holder, ensured the distribution and quarterly transfer to political parties of funds allocated from the state budget to finance their statutory activities in accordance with the requirements of the Law of Ukraine "On political parties in Ukraine", totalling UAH 782,696.35 thousand, including: "Servant of the People" received UAH 490,301.4 thousand; "European Solidarity" - UAH 141,559.6 thousand; "Batkivshchyna" - UAH 93,005.1 thousand; "Holos" - UAH 57,830.25 thousand.

It is worth noting that the financing of the statutory activities of parliamentary parties in 2024 was carried out taking into account the adopted administrative documents of the National Agency on Corruption Prevention on the suspension and termination of funding for the Holos party (orders of June 25, 2024 No. 166/24 and of June 25, 2024 No. 167/24), as well as the ban on the activities of the Opposition Platform - For Life political party.

#### The Law of Ukraine "On Lobbying"

The Verkhovna Rada of Ukraine adopted the Law of Ukraine "On Lobbying" No. 3606-IX of February 23, 2024, which comes into force two months after the start of the Transparency Register, but no later than September 01, 2025.

In order to ensure the implementation of the provisions of this Law, the Cabinet of Ministers of Ukraine adopted Resolution "Some issues of establishment and functioning of the Transparency Register" No. 1175 of October 15, 2024 and Resolution "On approval



of the Rules of ethical conduct of lobbying entities" No. 1128 of October 01, 2024. The National Agency on Corruption Prevention also amended its regulations to implement the provisions of the Law.

In addition, on March 21, 2024, the Verkhovna Rada of Ukraine adopted the Law of Ukraine "On amendments to the Code of Ukraine on Administrative Offenses to establish liability for violation of lobbying legislation", which established liability for illegal lobbying and violation of lobbying legislation. This Law shall enter into force on the day the Law of Ukraine "On Lobbying" is enacted.

Currently, work is underway to create a Transparency Register and develop the necessary regulatory framework for the proper functioning of lobbying control mechanisms.

Establishment of the corruption whistleblowing system, launch of the whistle-blower portal, first payments to whistle-blowers

The number of organizations connected to the Unified Whistle-blower Reporting Portal (hereinafter referred to as the Portal) increased to 7,904 in 2024 (as of January 2024, there were 95). In order to improve the efficiency of the Portal, the National Agency on Corruption Prevention has developed guidelines.

In 2024, for the first time in the country's history, the National Agency on Corruption Prevention implemented the statutory processes from filing a complaint to paying remuneration to corruption whistle-blowers. The total amount of payments amounted to almost UAH 15 million.

Amendments to the Disciplinary Statute of the Armed Forces of Ukraine to protect whistle-blowers were developed as part of the work on improving legislation.

#### STRENGTHENING INSTITUTIONAL CAPACITY AND AUTONOMY

#### **Specialized Anti-Corruption Prosecutor's Office**

In order to implement the legislation on strengthening the independence of the Specialized Anti-Corruption Prosecutor's Office, the expenditures envisaged for the Office of the Prosecutor General for 2024 were redistributed by increasing the expenditures for the functions of the Specialized Anti-Corruption Prosecutor's Office (salaries of additional employees of the Specialized Anti-Corruption Prosecutor's Office and arrangement of their workplaces).

#### **National Anti-Corruption Bureau of Ukraine**

As envisaged by the Law of Ukraine No. 3502-IX of December 08, 2023 "On amendments to Article 5 of the Law of Ukraine 'On the National Anti-Corruption Bureau of Ukraine' to strengthen the institutional capacity of the National Anti-Corruption Bureau of Ukraine", the staff of the body was increased by 100 employees to 800 in 2024. The National Anti-Corruption Bureau is currently recruiting highly qualified specialists to investigate corruption-related criminal offenses.



#### E-platform

One of the tools for informing the EU Party about the progress made by Ukraine in the fight against corruption, including high-level corruption, and organized crime is Ukraine's participation in the work of the electronic platform for the EU candidate countries to collect statistical information on cases related to the fight against organized crime and corruption, and other serious crimes (hereinafter - the E-platform).

In 2024, the Office of the Prosecutor General posted on the E-platform information on criminal proceedings for serious and particularly serious criminal offenses committed as part of organized crime, money laundering, cybercrime, drug production, terrorism, human trafficking, illegal transportation of migrants, firearms-related crimes, high-level and low-level corruption, seizure and confiscation of assets for 2019-2023.

#### Legislative changes on the path to the EU and OECD

In order to combat bribery of foreign officials in international business transactions, on December 4, 2024, the Verkhovna Rada of Ukraine adopted the following:

- Law of Ukraine No. 4111-IX "On amendments to the Criminal Code of Ukraine, the Criminal Procedure Code of Ukraine and other legislative acts of Ukraine regarding improvement of mechanisms for bringing legal entities to liability for bribery of foreign officials";
- Law of Ukraine No. 4112-IX "On amendments to the Tax Code of Ukraine and certain laws of Ukraine to incorporate the provisions of the OECD Council Recommendations on tax measures to further combat bribery of foreign officials in international business transactions".

#### **FUNDAMENTAL RIGHTS**

In 2024, the Verkhovna Rada of Ukraine adopted the Law of Ukraine "On amendments to the Code of Ukraine on Administrative Offenses and other laws of Ukraine in relation to the ratification of the Council of Europe Convention on preventing and combating violence against women and domestic violence" of May 22, 2024 No. 3733-IX, which entered into force on December 19, 2024.

The Verkhovna Rada of Ukraine is considering:

- the draft Law of Ukraine "On amendments to certain legislative acts of Ukraine (regarding the harmonization of legislation on preventing and combating discrimination with the EU law)" (reg. No. 0931 of August 29,2019), which aims to eliminate gaps in the legislation on liability for violation of regulations on preventing and combating discrimination in Ukraine in accordance with EU law;
- the draft Law of Ukraine "On amendments to certain legislative acts of Ukraine to bring them in compliance with the requirements of Articles 8 and 14 of the Convention for the Protection of Human Rights and Fundamental Freedoms (European Convention on Human Rights) and Council Regulation (EU) 2016/1104 implementing enhanced cooperation in the area of jurisdiction, applicable law and the recognition and enforcement of decisions in matters of the property consequences of registered partnerships" (Reg. No. 12252 of November 27,



2024), which contains amendments to 47 legislative acts and proposes to define the legal and organizational framework of registered partnerships, legal status, individual non-property and property rights and obligations of registered partners, procedure and consequences of state registration and termination of registered partnerships.

#### Combating torture and ill-treatment of people

In 2024, most of the recommendations of the UN Subcommittee on Prevention of Torture included in the Roadmap were implemented:

- Counter-torture Strategy in the Criminal Justice System and the Action Plan for its Implementation were updated and the deadlines for its implementation were extended (Order of the Cabinet of Ministers of Ukraine No. 820 of August 30, 2024);
- the Custody Records project for automated recording of actions with detainees was implemented in the activities of the National Police of Ukraine (as of December 2024, it was implemented in 95 temporary detention centres);
- in 2023-2024, opportunities for filing appeals to protect the rights of convicts and prisoners were improved (the existing website of the State Criminal Executive Service of Ukraine was modernized; an electronic form of appeals was created; individual online meetings with systemic complainants were introduced);
- a project of paid services in pre-trial detention centres was introduced (cells with improved conditions of detention were equipped and paid services were provided to detainees to ensure improved conditions of detention; the issue of providing detainees in pre-trial detention centres with paid services for Internet access and voice electronic communication via IP telephony was settled);
- funding for the National Preventive Mechanism was provided;
- penitentiary institutions where conditions of detention did not meet international standards were optimized.

Pursuant to the Manual on the Principles of Effective Investigation and Documentation of Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (Istanbul Protocol), the Ministry of Health of Ukraine approved a new Instruction on filling out the form of primary records in healthcare facilities when a person is found to have any bodily injuries, as well as in other cases when injuries are detected that may indicate the unlawful nature of their infliction, including torture and other forms of cruel, inhuman or degrading treatment or punishment (orders of the Ministry of Health of Ukraine of February 02, 2024 No. 186 and of February 02, 2024 No. 316).

The Office of the Prosecutor General, together with the State Bureau of Investigation, implemented measures to ensure effective pre-trial investigation of reports of torture and ill-treatment. Namely, in order to address the systemic problems raised by the European Court of Human Rights regarding ensuring effective legal protection in cases of torture and ill-treatment by law enforcement officers, noted in the resolutions of the Committee of Ministers of the Council of Europe CM/Del/Dec(2023)1483/H46-41 of December 07, 2023 and CM/Del/Dec(2024)1514/H46-39 of December 05, 2024.



#### Personal data protection

In November 2024, the Verkhovna Rada of Ukraine adopted in the first reading the draft Law of Ukraine "On personal data protection" (No. 8153 of October 25, 2022) aimed at bringing Ukrainian legislation in line with the European standards on personal data protection (Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) and the Modernized Convention 108+).

The Verkhovna Rada of Ukraine is also considering the draft Law of Ukraine "On the National Commission on Personal Data Protection and Access to Public Information" (Reg. No. 6177 of October 18, 2021), which provides for the establishment of a new supervisory authority in the field of personal data protection and defines the status, powers, principles of organization and procedure of this body.

#### Freedom of expression

In order to ensure freedom of expression under martial law:

- the Roadmap to support the restoration of a pluralistic, transparent and independent post-war media space after the termination or lifting of martial law was approved (Order of the MCSC of June 28, 2024 No. 451);
- Amendments were introduced to the Procedure for Interaction between the Armed Forces of Ukraine, other components of the defense forces and media representatives under martial law, approved by the Order of the Commander-in-Chief of the Armed Forces of Ukraine No. 73 of March 03, 2022, which simplified access of accredited journalists to the combat areas;
- The Chairman of the Verkhovna Rada of Ukraine adopted Resolution No. 431 of May 8, 2024, which restored access of journalists to the Verkhovna Rada of Ukraine, taking into account restrictive measures aimed at ensuring the interests of Ukraine's national security.

#### **National minorities**

In 2024, the Special Report of the Ukrainian Parliament Commissioner for Human Rights on the respect of national minorities (communities) and indigenous peoples' rights in the context of the armed aggression of the Russian Federation against Ukraine for the period from February 24, 2022 to December 31, 2023 was issued, which contained 75 recommendations for state authorities and local governments to improve legislation and public policy in this area.

With the support of the Council of Europe, a pilot project "Documenting persons from the Roma national minority (community) and developing legal mechanisms to simplify this procedure" was implemented in Mukachevo city amalgamated territorial community of Zakarpattia oblast in 2023-2024.

In December 2024, the Law of Ukraine "On free legal aid" was amended to include victims of hate crimes based on race, skin colour, political, religious and other beliefs, gender, disability, ethnic and social origin, property status, place of residence, and language in the list of persons entitled to free specialized legal aid. This Law shall enter into force one year after the date of termination or abolition of martial law in Ukraine.



#### **Judicial cooperation**

In the context of Article 24 of the Association Agreement, to further develop judicial cooperation in civil and criminal matters, making full use of relevant international and bilateral instruments and based on the principles of legal certainty and the right to a fair trial:

- the Verkhovna Rada of Ukraine is considering the following:
  - the draft Law of Ukraine "On amendments to the Criminal Procedure Code of Ukraine regarding the use of technical means of electronic communications when sending requests for international cooperation" (reg. No. 12140 of October 21, 2024), aimed at improving the existing mechanisms for sending requests within the framework of international cooperation in criminal matters;
  - the draft Law of Ukraine "On amendments to the Criminal Procedure Code of Ukraine and other legislative acts of Ukraine on international cooperation in criminal proceedings" (Reg. No. 11223 of April 29, 2024), aimed at improving the existing mechanisms of international cooperation in criminal cases. The draft law, among other things, contains provisions aimed at bringing the regulatory framework on certain issues of international legal cooperation in criminal matters in line with FATF standards, and at regulating cooperation with the EPPO in accordance with the requirements of the Framework Agreement between Ukraine and the European Union on special mechanisms for the implementation of the EU's funding for Ukraine under Ukraine Facility;
  - the draft Law of Ukraine "On ratification of the Council of Europe Convention on offenses relating to cultural property" (reg. No. 0297 of December 12, 2024);
  - draft Law of Ukraine "On amendments to certain laws of Ukraine in connection with the ratification of the Council of Europe Convention on Offenses Relating to Cultural Property" (reg. No. 12309 of December 12, 2024);
- Draft Law of Ukraine "On amendments to the Code of Ukraine on Administrative Offenses and the Criminal Code of Ukraine in connection with the ratification of the Council of Europe Convention on Offenses Relating to Cultural Property" (reg. No. 12310 of December 12, 2024).

#### **ROME STATUTE**

In 2024, the following regulations were adopted:

Law of Ukraine of August 21, 2024 No. 3909-IX "On ratification of the Rome Statute of the International Criminal Court and amendments thereto";

Law of Ukraine of October 9, 2024 No. 4012-IX "On amendments to the Criminal Code and the Criminal Procedure Code of Ukraine due to the ratification of the Rome Statute of the International Criminal Court and amendments thereto", by which Ukraine introduced a number of amendments to the Criminal Code that allow the integration of the provisions of the Rome Statute into domestic legislation.



On October 25, 2024, the delegation of Ukraine deposited the instrument of ratification of the Rome Statute of the International Criminal Court.

According to the provisions of Article 126 of the Rome Statute, it enters into force on the first day of the month following the 60th day after the date of deposit of the instrument of ratification with the depositary, the UN Secretary-General. Thus, on January 1, 2025, Ukraine became a full-fledged member state of the Rome Statute of the International Criminal Court.

The Office of the Prosecutor General established an interagency working group on legislation harmonization in the context of law enforcement practice in connection with Ukraine's ratification of the Rome Statute of the International Criminal Court.

The purpose of the interagency working group is to:

- identify issues in the activities of government and law enforcement agencies;
- analyse the legislative and law enforcement aspects of the ratification of the Rome Statute of the International Criminal Court in terms of compliance with international law:
- develop proposals and recommendations for harmonization of Ukrainian legislation in connection with the ratification of the Rome Statute of the International Criminal Court;
- targeted engagement of international experts and organizations to study the experience of foreign countries in implementing the provisions of the Rome Statute of the International Criminal Court.

In addition, the Office of the Prosecutor General maintains constant communication with the International Criminal Court in documenting crimes related to Russian aggression against Ukraine.

Since March 2, 2022, the International Criminal Court has been conducting its own investigation into crimes committed during the Russian aggression against Ukraine (covering the entire territory of Ukraine and the period since November 21, 2013).

In 2024, the International Criminal Court issued 4 arrest warrants for Russian war criminals, including former Defense Minister S. Shoigu, Chief of the General Staff of the Russian Armed Forces V. Gerasimov, former Commander of the Long-Range Aviation of the Aerospace Forces S. Kobylyash, and former Commander of the Black Sea Fleet V. Sokolov. All of them are suspected of committing the war crime of attacking civilian objects (Article 8(2)(b)(ii) of the Rome Statute) and the war crime of causing excessive incidental injury to civilians or damage to civilian objects (Article 8(2)(b)(iv) of the Rome Statute), as well as a crime against humanity in the form of other inhuman acts under Article 7(1)(k) of the Rome Statute.

#### MIGRATION AND READMISSION, BORDER MANAGEMENT

Amendments to the Strategy of State Migration Policy of Ukraine were introduced, which supplemented the Strategy with new goals, in particular, to ensure that Ukrainian legislation and administrative practice in migration comply with the EU standards (Resolution of the Cabinet of Ministers of Ukraine No. 43-r of January 19, 2024).



The Cabinet of Ministers of Ukraine established the Coordination Centre for Cooperation with the European Migration Network and authorized the State Migration Service (SMS) of Ukraine to act as the National Contact Point of the European Migration Network (hereinafter referred to as the EMN) (Resolution of the Cabinet of Ministers of Ukraine No. 1322 of November 19, 2024). The SMS, as the National Contact Point of the EMN, prepared and submitted the National Report of Ukraine for 2023 to the EMN.

The modernization of the Gart-1 border control information and communication system continued, with an upgrade of the central subsystem of automated biometric identification, which allows for multimodal processing, editing, searching and storing not only fingerprint data but also a digitized facial image.

All international and interstate border crossing points are equipped with automated workstations with biometric passport readers and fingerprint scanners, and the replacement of outdated automated workstations for users of the first and second lines of border control is scheduled to be completed in 2025.

In 2024, the implementation of the Integrated Border Management Strategy until 2025 continued. A temporary working group was formed to analyse the state of integrated border management of Ukraine and develop a new Strategy for Integrated Border Management of Ukraine and an Action Plan for 2026-2028 for its implementation.

On October 07, 2024, the Implementation Protocol between the Cabinet of Ministers of Ukraine and the Government of the Slovak Republic on the Implementation of the Agreement between Ukraine and the European Communities on Readmission of Persons, approved by the Cabinet of Ministers of February 21, 2025, No. 191, was signed in Uzhhorod.

#### COMBATING HUMAN TRAFFICKING

Measures were taken to combat human trafficking under the National Social Program for Combating Human Trafficking until 2025. Regular exchange of information with the EU Anti-Trafficking Coordinator was ensured.

In 2024, the project to implement a system for recording all actions with detainees - the Custody Records information subsystem (hereinafter referred to as Custody Records) - continued. In particular, a pilot project of the Custody Records system was implemented in 129 territorial (separate) police units, 50 of which were implemented in 2024. The project was implemented in 77 temporary detention centres (TDCs). In this regard, 255 positions of human rights inspectors were introduced to monitor the observance of the rights of detainees.

In addition, in 2024, the Ukrainian Parliament Commissioner for Human Rights organized and conducted 16 monitoring visits and on-site inspections to determine the state of implementation of the state policy on combating human trafficking. During these inspections the current status of respect for the rights of individuals to information about the risks and consequences of getting into situations of human trafficking, assistance to victims and interaction of responsible actors was analyzed. Based on the results of the inspections, reports were submitted indicating the identified shortcomings and recommendations for their elimination.



#### FIGHTING ORGANIZED CRIME

The Strategy for Combating Organized Crime continued to be implemented. In accordance with the Action Plan for its implementation, in March 2024, an assessment of the threats of serious and organized crime was conducted using the SOCTA methodology. The Ministry of Internal Affairs of Ukraine, together with the National Police of Ukraine, the European Union Advisory Mission to Ukraine and the Interagency Research Centre for Combating Organized Crime under the National Security and Defense Council of Ukraine, based on the experience gained, finalized the Methodology for assessing the threats of organized crime and serious crimes in accordance with the SOCTA Ukraine assessment system. On July 31, 2024 the methodology was approved at the meeting of the Interagency Working Group on Coordination of the Implementation of the SOCTA Ukraine Assessment System in the Activities of Central Executive Bodies.

A report on the results of the organized crime threat assessment was prepared, which identified priorities in combating serious and/or organized crime. In addition, information on the questionnaires on areas of criminal activity and criminal networks filled out in accordance with the EU SOCTA 2025 methodological guide was sent to Europol.

Training was conducted for employees of state agencies involved in the assessment process, who filled out the "Organized Group and Criminal Organization, Criminal Community" and "Sphere of Criminal Activity" scorecards to assess the threats of organized crime and serious crime according to the SOCTA Ukraine assessment system for 2021-2024 according to a specified schedule.

In addition, in 2024, a Unified Comprehensive Action Plan for Combating Organized Crime for 2025 was developed in accordance with the priorities identified by the results of the assessment of the threats of serious, particularly serious crimes and organized crime (SOCTA Ukraine).

The National Police of Ukraine has participated in all 15 operational plans of the European Multidisciplinary Platform Against Criminal Threats (EMPACT) aimed at combating organized crime, and in the implementation of joint actions with the EU to prevent the leakage of firearms across state borders.

In pursuance of the EU recommendations, the Coordination Centre for Combating Illicit Trafficking in Firearms, Their Parts and Components, and Ammunition was established by the Cabinet of Ministers of Ukraine by the Resolution No. 790 of July 5, 2024.

The Office of the Prosecutor General, as the central body for international cooperation in criminal proceedings, deepens cooperation with the competent authorities of the EU countries by establishing joint investigation teams within the framework of pre-trial investigation of criminal proceedings related, in particular, to organized crime.

For example, prosecutors of the Prosecutor General's Office and sectoral departments of regional prosecutor's offices provide procedural guidance in criminal proceedings for which joint investigation teams have been established with other EU states.

International cooperation takes place through the use of Europol capabilities, which keeps records of transnational crimes and their perpetrators and is the main coordinator of international search for criminals, as well as the European Union Agency that cooperates with judicial and police authorities of the EU member states (Eurojust).



#### FIGHT AGAINST TERRORISM

The Resolution of the Cabinet of Ministers of Ukraine No. 1172 of October 15, 2024 enacted the Anti-Terrorist Security Rules, which establish mechanisms for classifying real estate objects as objects of possible terrorist attacks and general mandatory requirements for these objects aimed at ensuring their anti-terrorist security.

The Law of Ukraine No. 4156-IX of December 18, 2024 "On amendments to certain laws of Ukraine on the formation and maintenance of the list of terrorist organizations (groups)" was adopted, which defines the procedure for the formation and maintenance of a public list of terrorist organizations (groups).

#### During 2024:

- measures were taken to counteract the illegal activities of international terrorist organizations, illegal armed groups, as well as religious extremist organizations and groups in Ukraine;
- in terms of information exchange with Europol, the Security Service of Ukraine received 1,853 reports through the SIENA secure information network and sent 350 reports to Europol countries. The overwhelming majority of reports relate to combating terrorism, genocide, illegal migration and money laundering, and war crimes investigation.

In addition, in June 2024, access was granted to the specialized SIENA CT (Counter Terrorism) application.

In 2024, the special services of the Russian Federation significantly intensified their efforts to organize terrorist attacks, sabotage, and deliberate destruction and damage to property in order to destabilize the socio-political situation in Ukraine. Recruitment of direct perpetrators of crimes is carried out via the Internet on a monetary basis.

During 2024, the SBU and the National Police detained more than 450 people who were engaged in these illegal activities in Ukraine on behalf of Russian curators.

#### WAR CRIMES INVESTIGATION

The Office of the Prosecutor General, as the central body for international cooperation in criminal proceedings, cooperates with the competent authorities of the EU countries by establishing joint investigation teams (hereinafter referred to as JITs) within the framework of pre-trial investigation of criminal proceedings related to corruption, terrorism, and organized crime. Coordination of activities related to the conclusion of agreements on the establishment of JITs is carried out by Eurojust.

In 2024, 54 agreements on the establishment of JITs were signed between Ukraine and the EU Member States, as well as documents on the extension of their activities, change of managers and composition, and Prosecutors' representatives participated in 48 coordination meetings of Eurojust.

Joint investigation of Russian aggression, war crimes, crimes against humanity and genocide was continued by the JIT "Ukraine Case", established by Ukraine, the Republic of Lithuania, the Republic of Poland, the Republic of Estonia, the Republic of Latvia, the Slovak Republic and Romania as parties, and Eurojust, the Office of the Prosecutor of



the International Criminal Court and the EU Agency for Law Enforcement Cooperation (Europol) as participants.

By mutual agreement of the parties, the JIT was extended until March 25, 2026. The member states of the JIT gradually expand the mandate of the investigation, which, in addition to war crimes, includes the investigation of genocide, crimes against humanity and aggression. On September 10, 2024, the Parties to the JIT agreed to amend the Agreement to strengthen the investigation of crimes of torture, ill-treatment and filtration measures.

Since its establishment in July 2023, the International Centre for the Prosecution of Crime of Aggression against Ukraine (ICPA) has made significant progress in building a joint strategy for the investigation and prosecution of crimes of aggression. ICPA is a unique judicial centre integrated into Eurojust to support national investigations of the crime of aggression related to the war in Ukraine, allowing independent prosecutors from different states to work together in one place on a daily basis, share evidence quickly and efficiently, and agree on a common investigation and prosecution strategy. During 2024, ICPA members held more than 50 in-person and 12 online meetings.

As of the end of 2024, 27 states, apart from Ukraine, are conducting their own investigations or collecting evidence of crimes committed during the Russian aggression, including Albania, Belgium, Bulgaria, the United Kingdom, Denmark, Estonia, Ireland, Spain, Italy, Canada, Latvia, Lithuania, Moldova, the Netherlands, Germany, Norway, Poland, Romania, Slovakia, Slovenia, the United States, Hungary, Finland, France the Czech Republic, Switzerland, and Sweden.

A large number of war criminals have been brought to criminal responsibility, and an evidence base on Russia's crimes against peace and security of humanity has been formed for consideration in international courts.

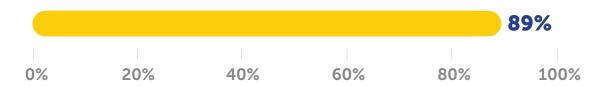
According to the Unified Register of Pre-Trial Investigations, in 2024, SBU investigators conducted pre-trial investigations in 113,181 criminal proceedings, including crimes related to Russia's open military aggression against Ukraine (under Article 437 of the Criminal Code of Ukraine in 197 criminal proceedings and under Article 438 of the Criminal Code of Ukraine in 77,282 criminal proceedings), in which 4,485 persons were served suspicion notices (74 persons under Article 437 of the Criminal Code of Ukraine and 119 persons under Article 438 of the Criminal Code of Ukraine).

The SBU continues to actively cooperate with the EU authorities on pre-trial investigation of crimes committed in connection with the Russian aggression against Ukraine that began in 2014 and the subsequent full-scale invasion of the aggressor country.

In particular, representatives of the State Security Service of Ukraine are involved in the work of the International Joint Investigation Team (JIT) and the International Centre for the Prosecution of the Crime of Aggression against Ukraine (ICPA) and participate in coordination meetings at Eurojust to investigate the organization of a large-scale armed invasion of Ukraine by representatives of the Russian Federation's authorities and armed forces.



#### **TECHNICAL BARRIERS TO TRADE**



In 2024, Ukraine continued working on maximizing the implementation of the recommendations provided by the EU Party based on the results of assessments of the state of adaptation of horizontal and sectoral legislation to the EU acquis; readiness of Ukraine's quality infrastructure for the conclusion of the Agreement on Conformity Assessment and Acceptance of Industrial Products (ACAA Agreement), and implementation of first and second priority recommendations received from the European Commission in December 2023.

Based on the results of the assessments and with a view to launching a formal EU assessment in 2024, five of the seven recommendations of the first priority have been fully implemented. Two more recommendations of the European Party have been partially implemented, in particular, the following draft laws have been developed:

- "On amendments to certain laws of Ukraine regarding the improvement of state market surveillance and technical regulation system in accordance with the requirements of the European Union" (Reg. No. 12426 of January 20, 2025), which aims to ensure compliance with European legislation on market surveillance (in particular, Regulation (EU) No. 2019/1020 of the European Parliament and of the Council);
- "On amendments to certain laws of Ukraine regarding the harmonization of the accreditation of conformity assessment bodies and technical regulation system with the requirements of the European Union" (Reg. No. 12221 of November 18, 2024), which aims to harmonize conformity assessment and accreditation procedures with the European ones and to introduce all the provisions of Regulation (EC) No. 765/2008/EC and Decision (EC) No. 768/2008/EC recommended by European experts.

Work is currently underway to implement 13 recommendations of the second priority, of which four have been implemented, two have been partially implemented, and seven are in the process of being implemented.

In particular, in 2024, the Cabinet of Ministers of Ukraine adopted the following resolutions:

- Resolution No. 261 of March 08, 2024 "On amendments to the Resolutions of the Cabinet of Ministers of Ukraine No. 303 of March 13, 2022 and No. 550 of May 3, 2022", which ensured the resumption of planned and unscheduled measures of state market surveillance and control of non-food products in the priority areas of industrial goods for the purposes of the ACAA, namely: electromagnetic compatibility of equipment, low-voltage electrical equipment and machinery, as well as the resumption of unscheduled inspections for all types of products in the area of state market surveillance;
- Resolution No. 846 of July 23, 2024 "On amendments to certain resolutions



of the Cabinet of Ministers of Ukraine on technical regulation", which, inter alia, amended the Technical Regulation on Electromagnetic Compatibility in terms of harmonization with Directive 2014/30/EU and the Technical Regulation on Low Voltage Electrical Equipment in terms of harmonization with Directive 2014/35/EU;

- Resolution No. 1052 of September 06, 2024 "On amendments to the Resolutions of the Cabinet of Ministers of Ukraine No. 303 of March 13, 2022 and No. 550 of May 3, 2022", which resumed scheduled market surveillance inspections and state control over electrical and electronic equipment, indoor heaters and combined heaters, toys, mobile equipment operating under pressure, personal protective equipment, elevators and safety components for elevators, wheeled vehicles, new parts and equipment, that can be installed and/or used on wheeled vehicles, medical devices and medical aids, medical devices for in vitro diagnostics and their aids, active medical devices that are implanted;
- Resolution No. 1511 of December 27, 2024 "On amendments to the Resolution of the Cabinet of Ministers of Ukraine No. 303 of March 13, 2022 and repealing certain resolutions of the Cabinet of Ministers of Ukraine", which lifted the moratorium on state market surveillance and control of non-food products for all types of nonfood products from January 1, 2025.

Work continued on the adoption of national standards and approval of lists of national standards for the application of technical regulations that are prioritized under the ACAA Agreement. In particular, in 2024, 443 national standards were adopted, of which 371 were harmonized with international and European standards, 3 lists of national standards for the application of technical regulations developed on the basis of the EU legislation and 12 amendments to the lists of national standards for the application of technical regulations developed on the basis of the EU legislation were approved. Two lists of standards and one amendment to them were approved in the area of electromagnetic compatibility, safety of machinery and low-voltage equipment.

In addition, in 2024, 764 national standards were repealed, including those that contradicted the provisions of adopted European standards. In total, the National Standards Fund consists of 45,733 national standards, of which 30,094 are harmonized with the European standards and 8,181 with the international standards.

Also during the year, the following regulatory acts were adopted to harmonize with the EU legislation on technical regulation:

- Resolution of the Cabinet of Ministers of Ukraine No. 963 of August 23, 2024 "On amendments to clause 2 of the Technical Regulations for Pressure Equipment";
- Resolution of the Cabinet of Ministers of Ukraine No. 1068 of September 17, 2024 "On amendments to Annexes 3 and 4 to the Technical Regulations on Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment";
- Resolution of the Cabinet of Ministers of Ukraine No. 846 of July 23, 2024 "On amendments to certain resolutions of the Cabinet of Ministers of Ukraine on technical regulation", which amended the Technical Regulations for Low Voltage Electrical Equipment approved by Resolution of the Cabinet of Ministers of Ukraine No. 1067 of December 16, 2015, Technical Regulations on Electromagnetic Compatibility of Equipment, approved by Resolution of the Cabinet of Ministers of Ukraine No. 1077 of December 16, 2015, form, description of the mark of compliance with technical



regulations, rules and conditions for its application, approved by Resolution of the Cabinet of Ministers of Ukraine No. 1184 of December 30, 2015, and special requirements for designated conformity assessment bodies, approved by the Resolution of the Cabinet of Ministers of Ukraine No. 56 of January 13, 2016;

- Resolution of the Cabinet of Ministers of Ukraine No. 1399 of December 10, 2024
  "On amendments to the Resolutions of the Cabinet of Ministers of Ukraine No. 62
  of January 30, 2013 and No. 1186 of December 4, 2019", which amended Annex 1
  to the Technical Regulations on Machine Safety and the Technical Regulations on
  Noise Emissions into the Environment from Equipment Used Outside the Premises;
- Order of the Ministry of Economy of Ukraine of May 16, 2024 No. 12710 "On amendments to the Annexes to the Orders of the Ministry of Economic Development and Trade of Ukraine of March 06, 2019 No. 385 and the Ministry of Economic Development, Trade and Agriculture of Ukraine of July 28, 2020 No. 1408", registered with the Ministry of Justice on May 29, 2024 under No. 792/42137;
- Resolution of the Cabinet of Ministers of Ukraine No. 320 of March 22, 2024 "On amendments to the technical regulations approved by the Resolutions of the Cabinet of Ministers of Ukraine No. 94 of January 13, 2016 and No. 163 of February 24, 2016", which amended the Technical Regulations on Measuring Equipment.

As of today, 83 technical regulations have been adopted for 25 sectors of industrial products to implement the provisions of the Association Agreement.

A total of 131 technical regulations have been adopted to date, of which 118 were developed on the basis of the EU legislation and 102 are already binding. Currently, 114 technical regulations are in force in Ukraine.

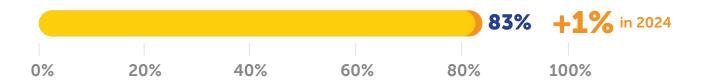
The National Accreditation Agency of Ukraine (hereinafter referred to as NAAU) is a signatory to the recognition agreements with the European Cooperation for Accreditation (EA MLA), the International Laboratory Accreditation Cooperation (ILAC MRA) and the International Accreditation Forum (IAF MLA). Thus, accreditation provided by NAAU in the relevant fields is equivalent to accreditation provided by national accreditation bodies - signatories to ILAC MRA and IAF MLA in more than 80 countries of the world.

On July 30, 2024, based on the results of NAAU's parity assessment, the Council for European Cooperation for Accreditation decided that NAAU remains a signatory to the EA MLA multilateral agreement on recognition of calibration, testing, medical laboratories; product certification bodies, management systems, personnel; inspection bodies, and also expanded recognition for validation and verification.

Currently, there are 1,106 accredited conformity assessment bodies in Ukraine: 710 testing laboratories, 60 medical laboratories, 38 calibration laboratories, 64 management system certification bodies, 16 personnel certification bodies, 112 products, process and service certification bodies, 92 inspection bodies, 8 greenhouse gas claim verification bodies and 6 professional level verification providers.



#### SANITARY AND PHYTOSANITARY MEASURES



Ukraine's obligations related to Sanitary and Phytosanitary Measures (hereinafter referred to as SPS) are stipulated in Chapter 4 "Sanitary and Phytosanitary Measures" of Title IV "Trade and Trade-related Matters" and Annex 5 of the Association Agreement.

In 2024, in pursuance of the Association Agreement and in order to implement the EU law:

#### 1. Adopted:

• The Law of Ukraine of December 17, 2024 No. 4147-IX "On state regulation of plant protection", provides for a systematic and comprehensive review of regulation in the areas of plant protection, plant quarantine, circulation and use of plant protection products. It also regulates the implementation of official control and other official measures in these areas, which is in line with the EU regulations.

#### 2. Reviewed in the committee:

- the draft Law of Ukraine "On plant protection products and fertilizers" (reg. No. 11062 of March 04, 2024), developed with the aim of legislative improvement of state regulation on pesticides and agrochemicals in general and, in particular, taking into account the EU acts;
- the draft Law of Ukraine "On amendments to certain laws of Ukraine on bringing regulation on veterinary medicine in line with the EU acquis" (reg. No. 12285 of December 04, 2024), which will ensure a stable epizootic situation in the country and contribute to the creation of a comprehensive regulation of relations in veterinary medicine:
- the draft Law of Ukraine "On amendments to certain laws of Ukraine on bringing regulation on veterinary medicine and animal welfare in line with the EU acquis" (reg. No. 12285-1 of December 24, 2024), which will ensure a stable epizootic situation in the country, promote creation of a comprehensive regulation of relations in veterinary medicine and animal welfare, and facilitate the export of Ukrainian products to the EU Member States and other countries.

### 3. The following regulations were adopted to create a comprehensive and complete regulation on SPS with due regard to the relevant provisions of the EU law:

- Resolution of the Cabinet of Ministers of Ukraine No. 27 of January 12, 2024 "On approval of the Procedure for issuing, refusing to issue, revoking, suspending, reissuing and renewing an operational permit, the form of an operational permit and repealing certain resolutions of the Cabinet of Ministers of Ukraine";
- Resolution of the Cabinet of Ministers of Ukraine No. 53 of January 19, 2024 "On approval of the Procedure for verification of documents and information, specified in



the documents accompanying the cargo with seeds and planting material, research and official samples of seeds and planting material, by the state phytosanitary inspector when exercising phytosanitary control and repealing certain resolutions of the Cabinet of Ministers of Ukraine";

- Resolution of the Cabinet of Ministers of Ukraine No. 640 of June 04, 2024 "On amendments to the Procedure for obtaining a certificate for the right to work with pesticides", in order to improve the procedure for issuing a certificate for the right to work with pesticides in accordance with European legislation and the Law of Ukraine No. 2073-IX of February 17, 2022 "On Administrative Procedure";
- Resolution of the Cabinet of Ministers of Ukraine No. 830 of July 18, 2024 "On amendments to the Resolution of the Cabinet of Ministers of Ukraine No. 10 of January 10, 2019";
- Resolution of the Cabinet of Ministers of Ukraine No. 1229 of October 25, 2024
  "On amendments to the Procedure for inspection, examination, phytosanitary
  examination (tests), repeated phytosanitary (arbitration) examination (tests),
  supervision, inspection, monitoring, disinfection of regulated objects, issuance of
  certificates provided for by the Law of Ukraine "On plant quarantine", control over
  the inspection in terms of sampling and selective control over the phytosanitary
  examination (tests)";
- Resolution of the Cabinet of Ministers of Ukraine No. 1309 of November 15, 2024 "Some issues of creation and functioning of the electronic registry system for crop production 'e-crop production'.

#### 4. In addition, the following ministerial orders were approved:

- Order of the Ministry of Agrarian Policy and Food of Ukraine No. 431 of February 15, 2024 "On approval of the Procedure for state registration of capacities and the Procedure for maintaining the state register of market operators and their capacities", registered with the Ministry of Justice of Ukraine on April 04, 2024 under No. 501/41846, 502/41847;
- Order of the Ministry of Agrarian Policy and Food of Ukraine No. 699 of March 07, 2024 "On approval of the Instruction on prevention and control of transmissible spongiform encephalopathies", registered with the Ministry of Justice of Ukraine on March 26, 2024 under No. 450/41795;
- Order of the Ministry of Agrarian Policy and Food of Ukraine No. 859 of March 18, 2024 "On approval of veterinary and sanitary requirements for facilities for treatment and processing of animal by-products", registered with the Ministry of Justice of Ukraine on April 12, 2024 under No. 534/41879;
- Order of the Ministry of Agrarian Policy and Food of Ukraine No. 1050 of April 02, 2024 "On approval of the Requirements for labelling and packaging of planting material", registered with the Ministry of Justice of Ukraine on May 09, 2024 under No. 674/42019;
- Order of the Ministry of Agrarian Policy and Food of Ukraine No. 1279 of April 19, 2024 "On approval of hygienic requirements for agri-food markets", registered with the Ministry of Justice of Ukraine on May 22, 2024 under No. 745/42090;



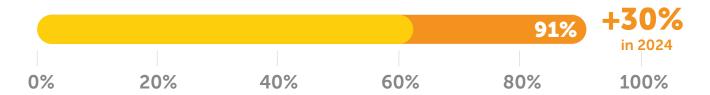
- Order of the Ministry of Agrarian Policy and Food of Ukraine No. 1521 of May 16, 2024 "On approval of the Requirements for the production and circulation of live bivalves, live needlefish, live intestinal and live marine gastropods, classification of production areas and areas of re-population of live bivalves, sanitary inspection, monitoring and maintenance of the list of relevant areas", registered with the Ministry of Justice of Ukraine on June 07, 2024 under No. 857/42202;
- Order of the Ministry of Agrarian Policy and Food of Ukraine No. 1640 of May 27, 2024 "On approval of the Procedure for registration of persons engaged in economic activities related to the production and circulation of regulated items and phytosanitary measures for wooden packaging material", registered with the Ministry of Justice of Ukraine on June 27, 2024 under No. 968/42313, which updated and simplified the procedure for registration of business entities engaged in plant quarantine and improved the rules for handling wooden packaging material in line with the European legislation and international standards, and the Law of Ukraine "On Administrative Procedure";
- Order of the Ministry of Agrarian Policy and Food of Ukraine No. 1691 of May 31, 2024 "On approval of the Methods of sampling and laboratory examination (testing) for identifying perfluoroalkyl substances in certain food products for the purposes of state control", registered with the Ministry of Justice of Ukraine on July 4, 2024 under No. 1000/42345;
- Order of the Ministry of Agrarian Policy and Food of Ukraine No. 1692 dated 31.05.2024 "On approval of the Methods of sampling and laboratory examination (testing) to determine the levels of dioxins, dioxin-like polychlorinated biphenyls and non-dioxin-like polychlorinated biphenyls in certain food products for the purposes of state control", registered with the Ministry of Justice of Ukraine on June 28, 2024 under No. 975/42320;
- Order of the Ministry of Agrarian Policy and Food of Ukraine No. 1693 of May 31, 2024 "On approval of the Methods of sampling and laboratory examination (testing) to identify the levels of mycotoxins in food for the purposes of state control", registered with the Ministry of Justice of Ukraine on July 4, 2024 under No. 1007/42352;
- Order of the Ministry of Agrarian Policy and Food of Ukraine No. 1822 of June 14, 2024 "On amendments to the Order of the Ministry of Agrarian Policy and Food of Ukraine No. 241 of May 06, 2019", registered with the Ministry of Justice of Ukraine on July 01, 2024 under No. 981/42326, 982/42327;
- Order of the Ministry of Agrarian Policy and Food of Ukraine No. 2033 of July 11, 2024 "On approval of amendments to the Order of the Ministry of Agrarian Policy and Food of Ukraine of March 12, 2019 No. 118", registered with the Ministry of Justice of Ukraine on August 14, 2024 under No. 1245/42590;
- Order of the Ministry of Agrarian Policy and Food of Ukraine No. 2252 of July 26, 2024 "On approval of the Procedure for issuing international certificates and other documents required by the legislation of the country of destination for food cargo", registered with the Ministry of Justice of Ukraine on September 13, 2024 under No. 1378/42723;
- Order of the Ministry of Agrarian Policy and Food of Ukraine No. 2337 of July 31, 2024 "On amendments to the Order of the Ministry of Agrarian Policy and Food of



- Ukraine of September 19, 2016 No. 310", registered with the Ministry of Justice of Ukraine on August 14, 2024 under No. 1243/42588;
- Order of the Ministry of Agrarian Policy and Food of Ukraine No. 2691 of August 16, 2024 "On approval of the List of substances the presence of which in feed is restricted or prohibited", registered with the Ministry of Justice of Ukraine on August 29, 2024 under No. 1326/42671;
- Order of the Ministry of Agrarian Policy and Food of Ukraine No. 2830 of August 23, 2024 "On approval of the form of the annual report on the implementation of long-term and annual state control plans" (according to the letter of the Ministry of Justice of Ukraine, it does not require state registration);
- Order of the Ministry of Agrarian Policy and Food of Ukraine No. 3497 of September 17, 2024 "On approval of the List of categories of feed substances that may be indicated instead of certain feed substances when labelling pet food", registered with the Ministry of Justice of Ukraine on October 3, 2024 under No. 1499/42844;
- Order of the Ministry of Agrarian Policy and Food of Ukraine No. 3498 of September 17, 2024 "On approval of hygienic requirements for the production and circulation of food products of animal origin supplied in small volumes to end consumers or local retailers", registered with the Ministry of Justice of Ukraine on October 3, 2024 under No. 1485/42830;
- Order of the Ministry of Agrarian Policy and Food of Ukraine No. 3648 of September 21, 2024 "On approval of the Methods of sampling and laboratory examination (testing) to identify the levels of microelements and pollutants in food for the purposes of state control", registered with the Ministry of Justice of Ukraine on October 3, 2024 under No. 1498/42843;
- Order of the Ministry of Agrarian Policy and Food of Ukraine No. 3933 of October 11, 2024 "On approval of certain regulations on compliance with the requirements of animal welfare legislation", registered with the Ministry of Justice of Ukraine on November 08, 2024 under No. 1682/43027, 1683/43028, 1684/43029, 1685/43030;
- Order of the Ministry of Agrarian Policy and Food of Ukraine No. 4001 of October 21, 2024 "On amendments to the Order of the Ministry of Agrarian Policy and Food of Ukraine of September 14, 2022 No. 682", registered with the Ministry of Justice of Ukraine on November 06, 2024 under No. 1665/43010;
- Order of the Ministry of Agrarian Policy and Food of Ukraine No. 4067 of November 05, 2024 "On approval of amendments to the Order of the Ministry of Agrarian Policy and Food of Ukraine of August 08, 2023 No. 1503 and approval of the form of the statement drawn up on the results of a planned (unscheduled) state control (inspection) measures regarding compliance by market operators and/or facility operators with hygienic requirements for facilities where bee products are produced and/or circulated", registered with the Ministry of Justice of Ukraine on December 12, 2024 under No. 1900/43245;
- Order of the Ministry of Agrarian Policy and Food of Ukraine No. 4150 of November 25, 2024 "On approval of the Rules for conducting laboratory examinations (tests) of milk and dairy products in agro-food markets", registered with the Ministry of Justice of Ukraine on December 31, 2024 under No. 2056/43401.



#### **CUSTOMS MATTERS**



## APPROXIMATION OF NATIONAL CUSTOMS LEGISLATION TO THE EU CUSTOMS LEGISLATION

#### Adopted:

1. Law of Ukraine No. 3926-IX of August 22, 2024 "On amendments to the Customs Code of Ukraine regarding the implementation of certain provisions of the Union Customs Code".

The implementation of the provisions of the Law allows for:

- application of reduced rates of import duty, provided that the authorization for the application of the procedure for the final use of goods is available and complied with;
- import of replacement goods into the customs territory of Ukraine under warranty obligations with conditional full exemption of customs duties;
- application of customs representation;
- use of authorizations for placing goods in certain customs regimes, namely: temporary importation, processing in the customs territory, processing outside the customs territory, import (in terms of the end-use procedure);
- expanding the use of equivalent products;
- application of an extended list of permitted (ordinary) transactions with goods under customs control;
- electronic correspondence of the customs authority with the declarant, the holder of the customs regime, as well as other persons regarding sending notifications of documentary inspection, requests, orders and other documents related to postclearance control:
- post-clearance control after completion of customs clearance by conducting preinspection analysis and documentary checks of compliance with the requirements of Ukrainian customs legislation, including timeliness, accuracy, completeness of customs payments;
- electronic identification of entities through the unified state information web portal "Single Window for International Trade";
- gradual transition to a system of authorizations for customs brokers, customs warehouse keepers, temporary storage warehouses using a single system of criteria and conditions for all customs authorizations (permits);



- introduction of the European model for differentiating between types of customs warehouses and expanding the list of operations allowed in them, which allows customs warehouses to expand their range of services;
- more effective protection of intellectual property rights, namely: the presence or absence of infringement of intellectual property rights in goods will be confirmed by the right holder by providing the customs authority with a relevant conclusion on the presence or absence of infringement of intellectual property rights. Such a conclusion will be provided exclusively by the right holder or his/ her authorized representative, whose information is entered in the customs register of intellectual property rights. According to the adopted amendments, the right holder acquires the right to provide a conclusion on the presence or absence of infringement of intellectual property rights and oral and/or written explanations in the proceedings on violation of customs rules. Applications of the right holders for assistance in the protection of intellectual property rights, including applications for assistance in the protection of intellectual property rights submitted by the right holder after the suspension of customs clearance of goods at the initiative of the customs authority, will be considered by the central executive body implementing the state customs policy and recorded in the customs register (central electronic database). The extension of the suspension of customs clearance up to 10 business days will be carried out on the basis of a decision of the head of the customs authority or his deputy only if the right holder provides a conclusion on the existence of infringement of intellectual property rights and at his/her reasoned request.
- 2. The Law of Ukraine No. 4115-IX of December 4, 2024 "On amendments to the Tax Code of Ukraine and other laws of Ukraine regarding the revision of excise tax rates on tobacco products", which provides for a gradual increase in specific excise tax rates on cigarettes until 2028 to reach the minimum level set by Council Directive 2011/64/EU of June 21, 2011 on the structure and rates of excise duty applied to manufactured tobacco.

### AUTHORIZED ECONOMIC OPERATOR (AEO) PROGRAM AND OTHER SIMPLIFICATIONS

As of December 31, 2024, 77 enterprises in Ukraine received AEO authorization, of which 56 enterprises were authorized in 2024.

In accordance with Article 80 (i) of the Association Agreement, the Parties shall mutually recognize, where appropriate and feasible, authorized traders and customs controls. The framework of this cooperation, implementation and practical measures shall be determined by the Subcommittee on Customs Cooperation provided for in Article 83 of this Agreement.

During the 8th meeting of the EU-Ukraine Customs Cooperation Subcommittee, which took place online on October 08, 2024, the EU Party noted the progress in increasing the number of AEOs in Ukraine. At the same time, the EU Party noted that in order to conclude a mutual recognition agreement, all measures should be taken to increase the number of AEOs of the "safety and reliability confirmation" type in Ukraine. The EU Party also confirmed that Ukraine should reach the target of 10 "safety and reliability confirmation" AEOs. As of December 31, 2024, 3 companies have the status of "safety and reliability confirmation" (S&RC) type AEO.



Subparagraph k) of paragraph 1 of Article 76 of the Association Agreement provides for the introduction and application of simplified procedures for authorized traders in accordance with objective and non-discriminatory criteria.

As of December 31, 2024, 204 companies received 1,017 authorizations for the application of simplified taxation (including transit).

In 2024, 605 authorizations for the application of simplifications were granted, including 356 authorizations for the application of simplifications provided for by the Customs Code of Ukraine and 249 authorizations for the application of transit simplifications envisaged by the Convention on a Common Transit Procedure.

#### NCTS FUNCTIONING

Successful transition to the use of NCTS Phase 5 (New Computerized Transit System) in April 2024. 59.7 thousand declarations were issued using the updated NCTS Phase 5 software, including 45.8 thousand for departure from Ukraine and 13.9 thousand for entry into Ukraine.

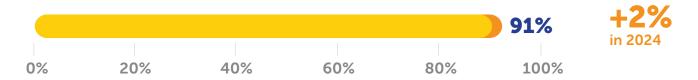
In 2024, 73.1 thousand movements initiated by the customs authorities of Ukraine were successfully completed in the signatory countries to the Convention on the Common Transit Procedure. At the same time, 21.1 thousand movements initiated in other signatory countries were completed in Ukraine.

In total, 136.2 thousand declarations have been issued since the start of the joint transit procedure in Ukraine (from October 1, 2022).

In 2024, in accordance with the terms of the Convention on the Common Transit Procedure, 109 general and 10,151 individual guarantees were registered in the GMS guarantee management system.



#### **ENTREPRENEURSHIP**



#### IMPROVEMENT OF CORPORATE GOVERNANCE

The Government is carrying out corporate governance reform to bring the governance system of public sector entities in line with the relevant standards of the Organization for Economic Cooperation and Development (hereinafter - OECD).

On March 08, 2024, the Law of Ukraine No. 3587-IX of February 22, 2024 "On amendments to certain legislative acts of Ukraine on improvement of corporate governance" (hereinafter - Law No. 3587-IX) came into force, aimed at eliminating conflicts and inconsistencies in Ukrainian legislation that do not allow the full implementation of up-to-date OECD corporate governance standards in state-owned companies.

In particular, Law No. 3587-IX amended the Commercial Code of Ukraine, the Civil Code of Ukraine, as well as the Laws of Ukraine "On management of state-owned property", "On joint stock companies", "On the Cabinet of Ministers of Ukraine", "On ensuring large-scale expansion of exports of goods (works, services) of Ukrainian origin by means of insurance, guaranteeing and reducing the cost of export credit", "On specifics of the incorporation of a joint stock company of public railway transport" and "On limited liability companies and joint stock companies".

Also, Law No. 3587-IX:

- authorized the Cabinet of Ministers of Ukraine to approve the State ownership policy, which should be used to guide strategic development plans, as well as financial and investment plans of state-owned enterprises;
- expanded the powers of supervisory boards (members of the supervisory board will make key operational decisions approve financial, strategic, investment plans based on the State ownership policy and owner's letters of expectation, determine the amount of compensation and remuneration of the head of a state-owned enterprise, the head of the executive body of a company, where more than 50 percent of votes (shares) in the authorized capital are owned by the state, appoint and dismiss heads of state-owned enterprises).

The Ministry of Economy of Ukraine, in close cooperation with international partners and taking into account the recommendations of the European Commission, OECD, IMF, the World Bank and EBRD, developed and the Government adopted Resolution No. 1369 of November 29, 2024 "Some issues of State ownership policy" (hereinafter - the State ownership policy), which entered into force on December 05, 2024.

The State ownership policy is a key and completely new instrument for regulating corporate governance in the Ukrainian legal system. It takes into account the OECD Guidelines as amended in 2024, sustainable practices of the leading economies of the civilized world, and the consensus position of key global donors.

The state ownership policy includes: state ownership policy; privatization strategy;



policy of remuneration of heads of state unitary enterprises and heads of executive bodies of business entities in which the state holds more than 50 percent of votes (shares); policy of remuneration of members of supervisory boards of state unitary enterprises, business entities in which the state holds more than 50 percent of votes (shares); state dividend policy.

The State ownership policy defines general principles, in particular on the following issues:

- justification and goals of retaining state ownership of state unitary enterprises and corporate rights in business entities in order to ensure national economic interests and in connection with short- and long-term plans for economic and social development of the state, which are enshrined in state programs for the development of relevant sectors of the economy;
- classification of state unitary enterprises, business entities based on the grounds for keeping them in state ownership, plans for privatization, reorganization or liquidation, as well as justification of any other classification of state unitary enterprises, business entities, in the authorized capital of which more than 50 percent of votes (shares) belong to the state;
- reporting requirements, principles for setting performance goals (including profit margins) for business entities, in which the state holds more than 50 percent of the authorized capital;
- requirements for transparency and disclosure of information of state-owned enterprises and business entities, in which the state holds more than 50 percent of the authorized capital.

In accordance with the provisions of the State ownership policy, following the results of the division, only the business entities complying with the below requirements should remain in state ownership:

- participating in the production of goods, performance of works and provision of services in areas where private sector entities cannot do so efficient;
- belonging to the natural monopolies;
- ensuring national security and defense capability of Ukraine through ownership and management of the enterprise and corporate rights of the state;
- are prohibited from being privatized in accordance with Article 4 of the Law of Ukraine "On privatization of state and municipal property" and other laws of Ukraine.

It should be noted that the remaining business entities should be transferred to the State Property Fund of Ukraine for privatization, reorganization or liquidation.

In pursuance of this task, the Government divided state-owned enterprises and companies with state corporate rights into categories (Minutes No. 135 of the Cabinet of Ministers of Ukraine of December 27, 2024):

- state-owned economic entities that remain in state ownership, including those
  that are not subject to privatization in accordance with the Law of Ukraine "On
  privatization of state and municipal property";
- · public sector economic entities necessary to ensure the defense capability of



the state, which remain in state ownership for the period of martial law, and the privatization of which may be carried out after its termination or cancellation;

- public sector economic entities that are to be privatized or liquidated, or both;
- public sector economic entities subject to reorganization and/or in respect of which
  other measures are taken to separate specific activities that fall within the grounds
  for the state ownership of the said entities from other activities in accordance with
  the State ownership policy;
- public sector economic entities located in the territories affected by hostilities or temporarily occupied by the Russian Federation, and which, with the consent of the management entity, should be transferred to the State Property Fund.

On September 03, 2024, the Law of Ukraine No. 3257-IX of July 14, 2023 "On amendments to certain legal acts of Ukraine regulating activities of separate subdivisions of a legal entity established in accordance with the laws of a foreign state" (hereinafter - Law No. 3257-IX) entered into force. The law was developed pursuant to the action plan for the implementation of the Association Agreement between the European Union, the European Atomic Energy Community and their Member States, of the one party, and Ukraine, of the other party, approved by the Cabinet of Ministers of Ukraine on October 25, 2017 No. 1106.

The Law No. 3257-IX provides for the implementation of the provisions of the Directive (EU) 2017/1132 of the European Parliament and of the Council of 14 June 2017 relating to certain aspects of company law (codification), in particular, the rules for disclosure of information applicable to branches of companies from other Member States, by entering information on such separate subdivisions into the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Organizations and making it publicly available.

#### ACCOUNTING, FINANCIAL REPORTING AND AUDIT

The Ministry of Finance of Ukraine pursued measures to further harmonize national legislation with the EU legislation and to implement reforms aimed at Ukraine's EU membership, in particular:

#### in accounting

to harmonize national legislation on accounting and financial reporting with the EU acquis, and to enhance transparency and compatibility of financial reporting indicators:

- National Regulation (Standard) on Public Sector Accounting 6 "Correction of Errors and Changes in Financial Statements", 21 "Effect of Changes in Foreign Exchange Rates" and 27 "Non-current Assets Held for Sale and Discontinued Operations" were brought in compliance with the requirements of international financial reporting standards, and the Instruction on the application of the Chart of Accounts for accounting for assets, capital, liabilities and business transactions of enterprises and organizations were amended;
- International Financial Reporting Standards 2024 were updated and published in the state language on the official website of the Ministry of Finance of Ukraine;
- the regulatory framework for public sector accounting was improved in



line with international standards and the EU best practices, in particular, the National Regulations (Standard) on Public Sector Accounting 129 "Investment Property" (Order of the Ministry of Finance of Ukraine No. 329 of July 08, 2024) and 122 "Intangible Assets" (Order of the Ministry of Finance of Ukraine No. 338 of July 11, 2024), Standard Form of Financial Statements No. 5-ds "Notes to the Annual Financial Statements" (Order of the Ministry of Finance of Ukraine No. 610 of November 28, 2024) and Guidelines for the Application of National Regulation (Standard) of Public Sector Accounting 122 "Intangible Assets" (Order of the Ministry of Finance of Ukraine No. 573 of November 11, 2024) were modified;

- International Public Sector Accounting Standards (IPSAS) 45 "Property, Plant and Equipment", 46 "Measurement", 47 "Revenue", 48 "Transfer Expenses", 49 "Retirement Benefit Plans" were translated within the framework of the "Public Financial Management Support Program for Ukraine" EU4PFM Project;
- An agreement was signed between the Ministry of Finance of Ukraine and the International Financial Reporting Standards Foundation (UK) on the permission to translate and use materials copyrighted by the IFRS Foundation (UK), namely the Conceptual Framework for Financial Reporting;
- Annexes A14, A15, A16 and A17 to the Agreement between the Ministry of Finance of Ukraine and the International Federation of Accountants (USA) were concluded on the permission to translate and publish copyrighted materials (registration No. UA-MOF-T-OA-2018), namely works: IAS 45 "Property, Plant and Equipment" (May 2023), IAS 46 "Measurement" (May 2023), IAS 47 "Revenue" (May 2023), IAS 48 "Transfer Expenses" (May 2023), IPSAS 49 "Retirement Benefit Plans" (November 2023), International Standard on Auditing for Audits of Financial Statements of Less Complex Entities (December 2023), International Code of Ethics for Professional Accountants (including International Independence Standards) (2023 edition), International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements (2022 and 2023-2024 editions).

#### in audit

- the Ministry of Finance of Ukraine developed a draft Law of Ukraine "On amendments to the Law of Ukraine 'On the audit of financial statements and auditing activities' and some laws of Ukraine on improvement of legislation on auditing" to improve the legal framework for auditing in Ukraine, implementation of the EU legislation on assurance on sustainable development reporting (Directive 2022/2464);
- the functioning of the Register of Auditors and Auditing Entities was improved by adopting the Order of the Ministry of Finance of Ukraine No. 237 of May 16, 2024 "On approval of amendments to the Procedure for maintaining the Register of Auditors and Auditing Entities", registered with the Ministry of Justice of Ukraine on June 20, 2024 under No. 926/42271;
- the package of international auditing standards, including the International Code of Ethics for Professional Accountants (covering international independence standards), was updated.



#### COMPETITION AND STATE AID

#### 1. State aid control system functioning under martial law

Control over state aid, in particular, provided through the Entrepreneurship Development Fund (in accordance with the Law of Ukraine No. 3720-IX of May 21, 2024 "On mandatory insurance of civil liability of owners of land vehicles") has been partially restored.

#### 2. Monitoring of state aid provided during martial law

Until the provisions of the Law of Ukraine "On state aid to business entities" on submission of notifications on state aid are restored, heads of central executive bodies and heads of military administrations will provide the Antimonopoly Committee of Ukraine with information on measures taken during martial law to support business entities (Order of the Deputy Prime Minister for European and Euro-Atlantic Integration of Ukraine No. 23872/2/1-24 of August 07, 2024).

#### 3. Inventory of active state aid programs

In accordance with paragraph 66 of the Action Plan for the implementation of the recommendations of the European Commission presented in the Report on Ukraine's Progress within the framework of the 2023 European Union Enlargement Package, approved by the Order of the Cabinet of Ministers of Ukraine No. 133-r of February 09, 2024, the Antimonopoly Committee of Ukraine is preparing to complete the inventory of existing state aid programs. In particular, in November 2024, the Report on the inventory of business support programs from state or local resources in place as of the date of entry into force of the Law of Ukraine "On state aid to business entities" was published. The inventory identified 56 programs with evidence of current state aid. Once the obligation of state aid providers to submit information on existing state aid is restored, the above programs should be reported to the Antimonopoly Committee of Ukraine to determine whether they constitute state aid and to assess their eligibility for competition.

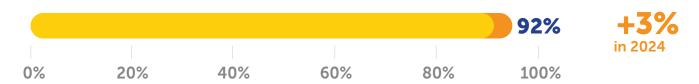
#### 4. Improving state aid legislation

The Cabinet of Ministers of Ukraine approved:

- Assessment criteria for the admissibility of state aid to business entities for the provision of services of general economic interest (Resolution of the Cabinet of Ministers of Ukraine No. 12 of January 5, 2024);
- Assessment criteria for the admissibility of state aid to business entities in the civil aviation sector (Resolution of the Cabinet of Ministers of Ukraine No. 26 of January 12, 2024);
- Assessment criteria for the admissibility of state aid to business entities for activities related to sports infrastructure (Resolution of the Cabinet of Ministers of Ukraine No. 161 of February 13, 2024);
- Assessment criteria for the admissibility of state aid to business entities whose activities are related to the use of port infrastructure facilities (Resolution of the Cabinet of Ministers of Ukraine No. 323 of March 22, 2024).



#### **PUBLIC PROCUREMENT**



Ukraine's obligations in public procurement are covered by the provisions of Chapter 8 "Public Procurement" of Title IV "Trade and Trade-related Matters" and Annex XXI of the Association Agreement, which provide the basis for further efforts to improve national legislation in the context of European integration.

Signing of two joint decisions of the EU-Ukraine Association Council by Ukrainian and the EU Parties was an important step towards European integration:

- Decision No. 1/2024 of the EU-Ukraine Association Council of October 01, 2024 on granting mutual market access for central authorities in accordance with Annex XXI-A "Indicative time schedule for institutional reforms, legislative approximation and market access" to Chapter 8 of the Association Agreement between the European Union, the European Atomic Energy Community and their Member States, of the one party, and Ukraine, of the other party;
- Decision No. 2/2024 of the EU-Ukraine Association Council of October 01, 2024 on granting mutual market access for state, regional and local authorities and public law organizations in accordance with Annex XXI-A "Indicative time schedule for institutional reforms, legislative approximation and market access" to Chapter 8 of the Association Agreement between the European Union, the European Atomic Energy Community and their Member States, of the one party, and Ukraine, of the other party.

These efforts emphasize the importance of improving Ukraine's public procurement legislation to ensure its compliance with EU law. One of the key stages of this process is regular meetings and consultations with the European Commission, allowing to adapt national regulations to the European standards.

In particular, following a bilateral meeting within the framework of the official screening of the compliance of Ukrainian legislation with the EU acquis under negotiating chapter 5 "Public Procurement" held on July 8-9, 2024 in Brussels, the European Commission confirmed the need to bring Ukrainian public procurement legislation in line with European standards. This emphasizes the importance of harmonizing Ukrainian legislation with the European requirements.

In this regard, the draft laws of Ukraine "On public procurement" (reg. No. 11520 of August 23, 2024) and "On amendments to certain legislative acts of Ukraine on improving the private investment attraction mechanism using the public-private partnership mechanism" (reg. No. 7508 of July 01, 2022) were sent to the European Commission for a comprehensive assessment of compliance with the EU acquis and the relevant obligations of Ukraine.

Draft Law of Ukraine No. 11520 provides for the implementation of the provisions



of Directive 2014/24/EU and Directive 2014/25/EU into the national legislation of Ukraine, which, in turn, will ensure the transparency and efficiency of procurement necessary for the country's recovery after a full-scale war. The novelties of this draft law include the introduction of new procedures, such as innovative partnerships, dynamic procurement systems, project competition and joint procurement.

The adoption of Draft Law No. 11520 in 2025 will significantly accelerate the process of opening public procurement markets in both Ukraine and the EU, which is in line with the requirements of Annex XXI-A "Indicative time schedule of institutional reform" to Chapter 8 of the Association Agreement.

In addition, Ukraine recognizes the need to harmonize its legislation on public-private partnerships (PPPs) and concessions with the EU law, in particular Directive 2014/23/EU on the award of concession contracts. In this context, one of the key steps is the preparation for the second reading of the draft Law of Ukraine "On amendments to certain legislative acts of Ukraine on improving the mechanism for attracting private investment using the mechanism of public-private partnership to accelerate the recovery of war-damaged facilities and construction of new facilities related to the post-war reconstruction of the Ukrainian economy" (reg. No. 7508 of July 1, 2022), which provides for amendments to the laws of Ukraine "On public-private partnership" and "On concession".

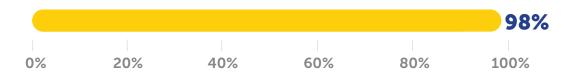
Draft Law No. 7508 provides for the implementation of the provisions of Directive 2014/23/EU into national legislation, in particular on terminology, methodology for calculating the estimated value of a concession, concession validity period, general principles of mixed contracts, localization rules, private initiative, confidentiality, disclosure of information on concessions and amendments to the concession agreement, subcontracting, deadlines for submitting applications and proposals for concessions, termination of concessions, monitoring and reporting, technical and functional requirements.

Consultations with the European Commission on these issues are underway.

Finally, Ukraine continues to harmonize its defense procurement sector with the provisions of Directive 2009/81/EC on the coordination of procedures for the award of certain works contracts, supply contracts and service contracts by contracting authorities or entities in the fields of defence and security. This is a strategic priority, especially in the context of the military aggression of the Russian Federation, as it ensures the efficient and transparent use of resources to strengthen the country's defense capabilities and the involvement of international suppliers in defense procurement.



#### INTELLECTUAL PROPERTY



Ukraine's commitments to ensure proper and effective fulfilment of its obligations under international agreements on intellectual property are provided for in Chapter 9 "Intellectual Property" of Title IV "Trade and Trade-Related Matters" of the Association Agreement.

In 2024, the Ministry of Economy of Ukraine and the Ministry of Agrarian Policy and Food of Ukraine made steps to bring national legislation in line with the European norms on intellectual property. In particular, the following regulations were adopted:

#### Industrial design:

Order of the Ministry of Economy of Ukraine No. 6237 of March 7, 2024 "On approval of the Rules for preparation and submission of an application for an industrial design and examination of an application for an industrial design and international registration of an industrial design" (registered with the Ministry of Justice of Ukraine on April 16, 2024 under No. 547/41892), which harmonizes the rules on industrial designs with the Law of Ukraine "On protection of rights to industrial designs", implementing the EU law provisions.

#### Inventions and utility models:

Order of the Ministry of Economy of Ukraine No. 23301 of September 9, 2024 "On approval of the Rules for drafting, submitting and examining an application for an invention and an application for a utility model" (registered with the Ministry of Justice of Ukraine on September 18, 2024 under No. 1411/42756), harmonizing the provisions on inventions and utility models with the Law of Ukraine "On protection of rights to inventions and utility models", which contains the EU law provisions.

#### GEOGRAPHICAL INDICATIONS

In 2024, to implement the Law of Ukraine "On specifics of legal protection of geographical indications for agricultural products and foodstuffs, protection of rights and application of quality schemes, including traditional guaranteed features for agricultural products and foodstuffs", the Cabinet of Ministers of Ukraine adopted Resolution No. 334 of March 26, 2024 "On approval of the Procedure for payment of the fee for filing an objection to the registration of a traditional guaranteed feature", and a number of orders of the Ministry of Agrarian Policy and Food of Ukraine, in particular:

- Order of the Ministry of Agrarian Policy and Food of Ukraine No. 1513 of May 16, 2024 "On approval of the Procedure for maintaining the list of users" (registered with the Ministry of Justice of Ukraine on June 21, 2024, No. 934/42279);
- Order of the Ministry of Agrarian Policy and Food of Ukraine No. 1656 of May 28, 2024 "On approval of additional requirements for raw materials and animal feed"



(registered with the Ministry of Justice of Ukraine on June 17, 2024 under No. 897/42242);

- Order of the Ministry of Agrarian Policy and Food of Ukraine No. 3060 of September 3, 2024 "On approval of the Requirements for a standard control plan" (registered with the Ministry of Justice of Ukraine on September 16, 2024, No. 1389/42734);
- Order of the Ministry of Agrarian Policy and Food of Ukraine No. 4148 of November 25, 2024 "On approval of the Procedure for electronic information interaction" (registered with the Ministry of Justice of Ukraine on December 6, 2024, No. 1875/43220).

In addition, in order to bring national regulations on examination of applications for geographical indications in line with the Laws of Ukraine "On specifics of legal protection of geographical indications for agricultural products and foodstuffs, protection of rights and application of quality schemes, including traditional guaranteed features for agricultural products and foodstuffs" and "On geographical indications of alcoholic beverages", which implement the relevant EU laws, the Ministry of Economy of Ukraine adopted the Order No. 16370 of July 9, 2024 "On amendments to the Order of the Ministry for Development of Economy, Trade and Agriculture of Ukraine No. 536-21 of March 12, 2021".

#### LEGISLATION ON GEOGRAPHICAL INDICATIONS OF ALCOHOLIC BEVERAGES

In 2024, a number of orders of the Ministry of Agrarian Policy and Food of Ukraine were adopted to implement the provisions of the Law of Ukraine "On geographical indications of alcoholic beverages", in particular, on certification, requirements for organoleptic research, the procedure for approving specifications, etc.:

- "On approval of the application form for inclusion in the Register of certification bodies in the sphere of geographical indications" No. 1280 of April 19, 2024 (registered with the Ministry of Justice of Ukraine on April 30, 2024 under No. 625/41970);
- "On adoption of the form of application for approval of the specification of alcoholic beverages, requirements for the preparation of the specification of alcoholic beverages, the procedure for its approval and approval of amendments to the specification of alcoholic beverages for which the geographical indication is used" No. 1964 of July 4, 2024 (registered with the Ministry of Justice of Ukraine on July 26, 2024 under No. 1122/42467);
- "On approval of the Procedure for certification of alcoholic beverages with a registered geographical indication and the Standard Plan for certification of alcoholic beverages with a registered geographical indication" No. 2572 of August 12, 2024 (registered with the Ministry of Justice of Ukraine on September 13, 2024 under No. 1380/42725);
- "On approval of the Requirements for the material and technical base and other infrastructure facilities necessary to carry out certification of alcoholic beverages with a registered geographical indication" No. 3650 of September 21, 2024 (registered with the Ministry of Justice of Ukraine on October 7, 2024 under No. 1505/42850);
- "On approval of the Requirements for organoleptic research of alcoholic beverages" No. 4149 of November 25, 2024 (registered with the Ministry of Justice of Ukraine on December 23, 2024 under No. 1983/43328);



• "On approval of the Procedure for appealing decisions of certification bodies" No. 4151 of November 25, 2024 (registered with the Ministry of Justice of Ukraine on December 19, 2024 under No. 1957/43302).

#### COOPERATION WITH THE EU

The Ministry of Economy of Ukraine, together with the state organization Ukrainian National Office for Intellectual Property and Innovations (UANIPIO), held a series of consultations with the Directorates-General of the European Commission and the EU Delegation to Ukraine on the expediency of amending the Law of Ukraine No. 2811-IX of December 1, 2022 "On copyright and related rights", the Law of Ukraine No. 3687-XII of December 15, 1993 "On protection of rights to inventions and utility models" and the Law of Ukraine No. 2415-VIII of May 15 "On effective management of property rights of copyright and (or) related rights holders".

There were also several sectoral discussions on the draft National Intellectual Property Strategy until 2030.

#### FIGHTING PIRACY AND COUNTERFEITING

In order to improve the system of intellectual property rights protection, in particular by fighting piracy and counterfeiting, Intellectual Property Rights Infringement Monitoring Centre was established under UANIPIO, which is a specialized platform for uniting a wide range of stakeholders to strengthen intellectual property protection in Ukraine, and memorandums of cooperation with the European Union Intellectual Property Office (EUIPO), Ukraine Alliance Against Counterfeiting and Piracy, and the Economic Security Bureau of Ukraine were signed.

The Law of Ukraine No. 3926-IX of August 22, 2024 "On amendments to the Customs Code of Ukraine regarding the implementation of certain provisions of the Union Customs Code" (effective from April 19, 2025) was adopted, which proposes, inter alia, to improve Section XIV of the Customs Code of Ukraine to facilitate the protection of intellectual property rights during the movement of goods across the customs border of Ukraine. The Law is also aimed at fulfilling Ukraine's obligations under the Association Agreement in terms of approximation of the customs legislation of Ukraine to the EU customs legislation in accordance with Annex XV to the Agreement, including updating and supplementing the provisions of the Customs Code in accordance with Regulation (EU) No. 952/2013 of the European Parliament and of the Council of October 09, 2013 laying down the Union Customs Code (hereinafter - Regulation No. 952/2013), Commission Delegated Regulation (EU) No. 2015/2446 of July 28, 2015 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards detailed rules concerning certain provisions of the Union Customs Code, Commission Implementing Regulation (EU) 2015/2447 of November 24, 2015 laying down detailed rules for implementing certain provisions of Regulation (EU) No 952/2013 of the European Parliament and of the Council laying down the Union Customs Code.

The Order of the Ministry of Economy of Ukraine No. 2945 of February 1, 2024 "On approval of the Procedure for the formation and maintenance of a national list of websites that raise concerns about the observance of intellectual property rights" was adopted pursuant to the Memorandum of Understanding between the World Intellectual Property



Organization and the Ministry of Economy of Ukraine on the provision of data to the WIPO ALERT data exchange platform of September 23, 2020 and in accordance with the requirements of the Law of Ukraine "On advertising".

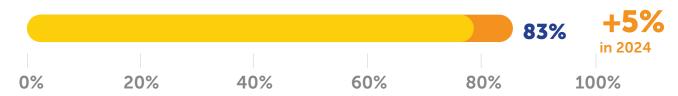
# INTERNATIONAL COOPERATION

On October 23, 2023, within the framework of cooperation between UANIPIO and the EU Intellectual Property Office (EUIPO), the Work Plan for 2024-2025 was signed. It is aimed at harmonizing the registration of trademarks and industrial designs with the EU practice, as well as providing staff training and cooperation in intellectual property.

Ukraine continues to integrate its national intellectual property legislation with the EU provisions, strengthening legal protection and creating favourable conditions for the development of innovation.



#### **ENERGY EFFICIENCY AND HOUSING AND UTILITY INFRASTRUCTURE**



Ukraine's commitments in the area of energy efficiency and housing and utility infrastructure are envisaged by Chapter 1 "Energy cooperation including nuclear issues" of Title V "Economic and Sectoral Cooperation" of the Association Agreement.

On November 1, 2024, the Cabinet of Ministers of Ukraine adopted Resolution No. 1154 "Some issues of ensuring the functioning of the national database of energy and operational characteristics of buildings", which defines the procedure and requirements for the formation, filling and maintenance of the national database of energy and operational characteristics of buildings, which is an integral part of the Unified State Electronic System in construction.

In order to implement the Law of Ukraine "On energy efficiency", which implements Directive 2012/27/EU, the following was **adopted**:

- Resolution of the Cabinet of Ministers of Ukraine No. 54 of January 19, 2024 "On approval of the procedure for maintaining and publishing a database of extracts from energy audit reports, independent monitoring of extracts from energy audit reports, independent verification of energy audit reports";
- Resolution of the Cabinet of Ministers of Ukraine No. 589 of May 21, 2024 "On approval of the Procedure for confirming the qualifications of individuals who intend to carry out activities related to energy audit of processes or transport, and qualification requirements for energy auditors of processes or transport".

In order to implement the EU provisions on high efficiency cogeneration, in particular, Directive 2004/8/EC and Directive 2012/27/EU, on February 24, 2023, the Verkhovna Rada of Ukraine adopted Law of Ukraine No. 2955-IX "On amendments to the Law of Ukraine 'On combined heat and power production (cogeneration) and use of waste energy potential' regarding the development of high efficiency cogeneration".

In order to implement this Law in 2024, the following was adopted:

- Resolution of the Cabinet of Ministers of Ukraine No. 1077 of September 20, 2024 "On approval of the Procedure for providing a guarantee of the origin of electricity generated by a highly efficient cogeneration unit and the Procedure and form for maintaining an electronic register of guarantees of the origin of electricity";
- Order of the Ministry of Infrastructure No. 200 of March 05, 2024 "On approval of the Methodology for determining the efficiency of the cogeneration process";
- Order of the Ministry of Infrastructure No. 397 of April 30, 2024 "On approval of forms of guarantee of the origin of electricity generated by a highly efficient cogeneration unit".

As part of the tasks envisaged by the Association Agreement, in accordance with the Treaty establishing the Energy Community and the decision of the Energy Community



Council of Ministers of November 30, 2021 No. 2021/14/MS-EnC, and in order to implement Directive 2018/2001 of the European Parliament and of the Council, the draft Law of Ukraine "On amendments to the Law of Ukraine 'On alternative fuels' regarding the establishment of a register of installations using biofuels as the only type of fuel" (reg. No. 9597) was developed, which was adopted as a basis in the first reading on June 18, 2024, and is now being prepared for the second reading.

The following regulations were also **adopted**:

- Law of Ukraine No. 3613-IX of March 20, 2024 "On amendments to the Customs Code of Ukraine and other Laws of Ukraine on specifics of customs control and customs clearance of certain categories of goods", which abolished barriers to bio methane exports to the EU;
- Resolution of the Cabinet of Ministers of Ukraine No. 1065 of September 17, 2024 "On amendments to the Resolution of the Cabinet of Ministers of Ukraine No. 823 of July 22, 2022";
- DSTU EN 16723-1:2023 standard for bio methane for use in transportation and bio methane for injection into the natural gas network.

On June 4, 2024, the Verkhovna Rada of Ukraine adopted Law of Ukraine No. 3769-IX "On amendments to certain laws of Ukraine regarding the mandatory use of liquid biofuels (bio components) in the field of transport" aimed at implementing the provisions of Directive 2014/94/EU of the European Parliament and of the Council on the deployment of alternative fuels infrastructure and Directive 2009/28/EC on the promotion of the use of energy from renewable sources.

#### **ENERGY LABELING AND ECO-DESIGN**

In order to ensure full implementation of the obligations undertaken by Ukraine under the Association Agreement and the Treaty establishing the Energy Community, Ukraine is implementing a system of energy labelling and establishing requirements for the ecodesign of energy-consuming products in accordance with the updated EU legislation.

As of today, 36 technical regulations on eco-design requirements and 21 technical regulations on energy labelling of energy-consuming products have been developed.

In particular, in 2024, the following were **adopted**:

- Order of the Ministry of Infrastructure No. 172 of February 23, 2024 "On approval of the Technical regulations on energy labelling of light sources";
- Resolution of the Cabinet of Ministers of Ukraine No. 844 of July 23, 2024 "On approval of the Technical regulations on eco-design requirements for electric motors and variable speed drives";
- Resolution of the Cabinet of Ministers of Ukraine No. 845 of July 23, 2024 "On approval of the technical regulations on eco-design requirements for welding equipment";
- Resolution of the Cabinet of Ministers of Ukraine No. 949 of August 20, 2024 "On approval of the Technical regulations on eco-design requirements for electronic screens".



# Also developed:

- Draft Resolution of the Cabinet of Ministers of Ukraine "On approval of the Technical regulations on eco-design requirements for refrigeration appliances with direct sales function";
- Draft Resolution of the Cabinet of Ministers of Ukraine "On approval of the Technical regulation on eco-design requirements for servers and data storage products";
- Draft Resolution of the Cabinet of Ministers of Ukraine "On approval of the Technical regulations on eco-design requirements for external power supply sources";
- Draft Order of the Ministry of Economy of Ukraine "On approval of the Technical regulations on energy labelling of refrigeration appliances with direct sales function".



#### **ENERGY**



Ukraine's commitments in the energy sector are envisaged in Chapter 1 "Energy cooperation including nuclear issues" of Title V "Economic and Sectoral Cooperation" of the Association Agreement. The adaptation of the EU energy legislation is carried out in accordance with Annex XXVII to the Association Agreement and within the framework of the obligations under the Treaty establishing the Energy Community.

#### **ELECTRICITY SECTOR**

The state policy in the electricity sector continued to be implemented in 2024 despite the full-scale military aggression of the Russian Federation against Ukraine.

In order to implement Regulation (EU) No. 1227/2011 on wholesale energy market integrity and transparency (REMIT), the Verkhovna Rada of Ukraine on June 10, 2023 adopted Law of Ukraine No. 3141-IX "On amendments to certain laws of Ukraine on prevention of abuse in wholesale energy markets", which provides for the liability of participants for manipulation in wholesale energy markets, and in 2024 the dynamics on this issue continued.

In pursuance of this Law, the following was adopted:

- NEURC<sup>1</sup> Resolution No. 137 of January 16, 2024 "On approval of the Procedure for the functioning of insider information platforms";
- NEURC Resolution No. 614 of March 27, 2024 "On approval of the Requirements for ensuring integrity and transparency in the wholesale energy market";
- NEURC Resolution No. 618 of March 27, 2024 "On approval of the Procedure for submitting information on economic and trade operations related to wholesale energy products".

In addition, with the support of the European Bank for Reconstruction and Development, an information system was introduced in 2024 to ensure the NEURC's functions for monitoring market behaviour and business transactions of business entities operating with wholesale energy products in order to identify and prevent abuse in the wholesale energy market.

In order to implement the requirements of Commission Regulation (EU) No. 2016/1719 establishing a guideline on forward capacity allocation, in the context of implementing the possibility of conducting coordinated auctions for the allocation of capacity, the following was adopted:

• NEURC Resolution No. 226 of January 30, 2024 "On approval of the rules for allocating the capacity of the Ukraine-Moldova interstate crossing";



<sup>&</sup>lt;sup>1</sup> National Energy and Utilities Regulatory Commission

• NEURC Resolution No. 227 of January 30, 2024 "On approval of the structure of capacity allocation for the Ukraine-Moldova interstate crossing".

As of today, joint rules for daily and long-term capacity allocation at the Ukraine-Romania and Ukraine-Moldova borders have been agreed upon, as well as joint rules for daily capacity allocation at the Ukraine-Poland, Ukraine-Slovakia and Ukraine-Hungary crossings.

Starting from November 2, 2023, joint auctions were held on the platform of NPC Ukrenergo for the Ukraine-Romania crossing. Since February 20, 2024, joint monthly auctions have been held, and since March 1, 2024, joint daily auctions for the Ukraine-Moldova crossing have been held, also on the NPC Ukrenergo platform. On January 16, 2024, the European platform of the Joint Allocation Office (JAO) launched a coordinated allocation of capacity for the Ukraine-Poland border (KhNPP (Ukraine) - Rzeszów (Poland) interstate crossing). On February 22, 2024, the coordinated allocation of capacity for the Ukraine-Hungary border started, and on March 4, 2024, the coordinated allocation of capacity for the Ukraine-Slovakia border started.

Currently, work is underway to organize long-term auctions for the allocation of capacity on Ukraine's borders with Poland, Slovakia and Hungary, as well as with Romania (despite the fact that long-term rules for allocating capacity have already been agreed upon, joint long-term auctions have not yet been held).

Starting from December 1, 2024, the maximum capacity of electricity imports to Ukraine from the power grids of neighbouring countries has been increased to 2,100 MW.

In order to bring the regulatory framework in line with EU Regulations and Directives (Regulation No. 2019/942, Regulation No. 2019/943, Commission Regulation No. 2015/1222, Commission Regulation No. 2016/1719, Commission Regulation No. 2017/2195, Commission Regulation No. 2017/2196, Commission Regulation (EU) No. 2017/1485, Directive 2019/944, Regulation (EU) No. 2019/941), which were incorporated into the Energy Community legislation (Electricity Integration Package), draft laws were developed to implement this package in the electricity sector:

- Draft Law of Ukraine "On amendments to the Laws of Ukraine on the integration of the electricity markets of Ukraine and the European Union" (of October 02, 2024, reg. No. 12087);
- Draft Law of Ukraine "On amendments to certain laws of Ukraine on the implementation of the European law on integration of energy markets, increasing security of supply and competitiveness in the energy sector" (of October 18, 2024, reg. No. 12087-1).

The European Network of Transmission System Operators for Electricity (ENTSO-E) has confirmed that NPC Ukrenergo has fulfilled all the technical requirements to complete the process of synchronization of the Ukrainian and European power grids. As a result of this process, starting from January 1, 2024, NPC Ukrenergo joined the Synchronous Area Framework Agreement for Regional Group Continental Europe (SAFA). Thus, the relevant provisions of Directive 2009/72/EC concerning common rules for the internal market in electricity and Regulation (EC) No 714/2009 on conditions for access to the network for cross-border exchanges in electricity were implemented.

In order to integrate into the Inter-Transmission System Operator Compensation (ITC)



mechanism - a multilateral agreement between ENTSO-E grid operators, as defined by Commission Regulation (EU) 838/2010, all the necessary measures for joining the ITC mechanism, required by the ENTSO-E Secretariat, have been completed.

#### OIL AND GAS SECTOR

In pursuance of the requirements of Directive 2009/119/EC of 14 September 2009 imposing an obligation on Member States to maintain minimum stocks of crude oil and/ or petroleum products, the Law of Ukraine "On minimum stocks of oil and petroleum products" No. 3484-IX was adopted in 2023.

In 2024, a number of regulations were adopted to implement this law, namely:

- Resolution of the Cabinet of Ministers of Ukraine No. 1443 of December 17, 2024 "On certain issues of monitoring the market of oil, oil products and liquefied gas in Ukraine";
- Resolution of the Cabinet of Ministers of Ukraine No. 1455 of December 20, 2024 "On approval of the Procedure for the establishment, management and operation of the system of minimum stocks of oil and oil products in Ukraine".

At the same time, the following was developed:

- Draft Order of the Cabinet of Ministers of Ukraine "On establishing a mechanism of effective measures to ensure the stability of the oil products market";
- Draft Order of the Ministry of Energy of Ukraine "On approval of the Standard form of the tickets agreement for oil and oil products reserve".

#### **ENERGY INFRASTRUCTURE**

In order to implement the requirements of Regulation No. 347/2013 on guidelines for trans-European energy infrastructure, the Draft Law of Ukraine "On projects of national interest in the field of energy" (Reg. No. 9138 of March 22, 2023) has been developed.

However, due to Ukraine's obligations to implement the provisions of the new Regulation (EU) No. 2022/869 on guidelines for trans-European energy infrastructure, on April 10, 2024, the Ministry of Energy proposed at a meeting of the Verkhovna Rada Committee on Energy, Housing and Utilities to adopt the draft law as a basis and create a working group to finalize the draft for the second reading and bring it in line with the above Regulation.

#### RENEWABLE ENERGY SOURCES

In order to implement Directive (EC) 2018/2001 on the promotion of the use of energy from renewable sources, the Draft Law of Ukraine "On amendments to certain laws of Ukraine on the implementation of the provisions of European legislation on the renewable energy sector" was developed.

The draft law, in particular, provides for:

• defining the specifics of calculating the indicator of gross final energy consumption



from renewable energy sources (hereinafter referred to as RES);

- defining a mechanism for statistical transfers with EU or Energy Community member states, implementing joint projects and introducing joint support schemes;
- defining the specifics of the formation of special zones for the development of renewable energy, energy storage facilities and grid infrastructure;
- clarification of Ukrainian legislation on the criteria for sustainability and reduction of greenhouse gas emissions for biofuels, bio liquids and biomass fuels, as well as rules for calculating the impact of biofuels, bio liquids and biomass fuels on greenhouse gas emissions.

On June 4, 2024, the Verkhovna Rada of Ukraine adopted the Law of Ukraine "On amendments to certain laws of Ukraine regarding the regulation of powers of central executive bodies in ensuring energy efficiency" No. 3764-IX. The law resolved issues related to the untimely conclusion of a load reduction agreement by RES producers; introduced provisions that facilitated the calculation of the share of the cost of settling the imbalance of electricity of the Guaranteed Buyer for January - April 2024 by the SE Guaranteed Buyer and empowered the NEURC to approve the cost of the service to ensure an increase in the share of electricity production from alternative energy sources

In addition, the following regulations were adopted:

- NEURC Resolution No. 178 of January 24, 2024 "On amendments to certain resolutions of the National Energy and Utilities Regulatory Commission";
- NEURC Resolution No. 1381 of July 26, 2024 "On approval of amendments to NEURC Resolution No. 641 of April 26, 2019";
- NEURC Resolution No. 2060 of December 06, 2024 "On approval of amendments to certain NEURC resolutions";
- NEURC Resolution No. 1475 of August 14, 2024 "On approval of application forms for creating an account in the register of guarantees of the origin of electricity produced from renewable energy sources, and on termination and resumption of use of an account in the register of guarantees of the origin of electricity produced from renewable energy sources, instructions for their completion";
- NEURC Resolution No. 1514 of August 21, 2024 "On creation of accounts in the register of guarantees of the origin of electricity produced from renewable energy sources", which creates accounts for legal entities and individuals, including individual entrepreneurs, in the register of guarantees of the origin of electricity produced from renewable energy sources;
- Resolution of the Cabinet of Ministers of Ukraine No. 282 of March 12, 2024 "Some issues of electricity export by the Guaranteed Buyer";
- Resolution of the Cabinet of Ministers of Ukraine No. 227 of February 27, 2024 "On the introduction of guarantees of the origin of electricity produced from renewable energy sources";
- Order of the Cabinet of Ministers of Ukraine No. 757-r of August 13, 2024 "Some issues of pilot auctions for the distribution of support quota in 2024";
- Order of the Cabinet of Ministers of Ukraine No. 1195-r of November 29, 2024



"Some issues of holding auctions for the distribution of renewable energy support quotas for 2025 and establishing indicative forecasts of annual support quotas for 2026 - 2029".

In addition, in pursuance of the provisions of the new Article 58-1 of the Law of Ukraine No. 3220-IX of June 30, 2023 "On amendments to certain laws of Ukraine on the recovery and green transformation of the energy system of Ukraine", which defines the term "active consumer", the rights of active consumers to install generating and/or energy storage facilities and the specifics of exercising such a right were determined. NEURC resolutions No. 2649 of December 29, 2023 "On approval of amendments to the Transmission System Code" and No. 2 of January 10, 2024 "On approval of amendments to the Distribution System Code" were adopted.

#### **COAL INDUSTRY**

Given the continuation of martial law and the ongoing difficult situation at coal mining enterprises, the extent of damage and the total cost of recovery remain unknown. Therefore, it is impossible to assess the condition and sometimes the feasibility of renovating or rehabilitating some damaged or destroyed facilities. It will be possible to assess the condition of the mines and determine their future only after a thorough inspection by a working group consisting of relevant specialists after the end of hostilities.

Pursuant to the Law of Ukraine No. 3577-IX of February 07, 2024 "On amendments to certain legislative acts of Ukraine on restoring the solvency of certain state-owned enterprises in the energy sector", a draft order of the Cabinet of Ministers of Ukraine "On approval of the action plan of state-owned coal mining enterprises until 2030" was developed.

At the same time, in accordance with the Concept of the State Target Programme for the Just Transition of Ukraine's Coal Regions until 2030, approved by the Cabinet of Ministers of Ukraine in 2021, cooperation with GIZ continues within the framework of the project "Supporting Structural Change in Ukrainian Coal Regions", in particular, a pilot project is being implemented at Velykomostivska mine of Lvivvuhillya SE.

The project for the liquidation of Velykomostivska mine received a positive expert report (conclusion) from the Western Expert and Technical Centre in December 2024, on the basis of which the project for the liquidation of Velykomostivska mine will be approved in accordance with the established procedure.

#### **NUCLEAR ENERGY**

The issues of cooperation in nuclear safety are envisaged by the Association Agreement in Article 342 and the updated Annex XXVIII (section "Nuclear Energy"), which includes the implementation of the provisions of the following directives: Council Directive 2013/59/Euratom, Council Directive 2006/117/EC, Council Directive 2014/87/EU, Council Directive 2009/71/EC and Council Directive 2011/70/EU.

As a result of the implementation of legislative initiatives prepared as part of the harmonization of Ukraine's national nuclear safety legislation with the EU acquis, in 2024 the following was adopted:



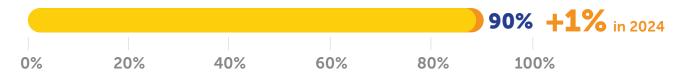
- Resolution of the Cabinet of Ministers of Ukraine No. 1493 of December 24, 2024
  "On approval of the Regulation on radiation protection expert", developed as part
  of the implementation of the provisions of Council Directive 2013/59/Euratom,
  which is the next stage of implementation of the Law of Ukraine No. 2758-IX of
  November 16, 2022 "On amendments to the Law of Ukraine 'On nuclear energy use
  and radiation safety' regarding radiation protection expert";
- Order of the State Nuclear Regulatory Inspectorate of Ukraine No. 941 of August 20, 2024 "On amendments to certain orders of the State Nuclear Regulatory Inspectorate of Ukraine", which is in line with the provisions of Council Directive 2013/59/Euratom, namely, brings the provisions of lower-level regulatory acts of Ukrainian legislation in line with the Law of Ukraine No. 2755-IX of November 16, 2022 "On amendments to certain laws of Ukraine on improvement of licensing activities in nuclear energy use" by amending the licensing procedure in nuclear energy use.

The work on drafting the Law of Ukraine "On the National Nuclear Regulatory Commission" is also ongoing. The draft law was developed to enshrine at the legislative level the status of the state nuclear and radiation safety regulatory authority as a central executive body with a special status, which will help to increase the efficiency of its activities and independence in making regulatory decisions.

This will comply with the requirements of the Convention on Nuclear Safety, the Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management, the Convention on the Physical Protection of Nuclear Material and Nuclear Facilities, Directives 2011/70/Euratom, 2014/87/Euratom 2013/59/Euratom, the Memorandum of Understanding on the Strategic Energy Partnership between Ukraine and the European Union together with the European Atomic Energy Community, IAEA documents and the experience gained in the state regulation of nuclear and radiation safety.



#### **TAXATION**



Ukraine's obligations regarding taxation are an integral part of the legal relations covered by Chapter 4 "Taxation" of Title V "Economic and Sectoral Cooperation" of the Association Agreement. It is important to emphasize that in this area, Ukraine is actively working to harmonize its national legislation with the EU standards, which is an integral part of the European integration process.

In 2024, work continued to bring Ukrainian legislation in line with European taxation standards. European standards cover such important issues as the collection of value added tax (VAT), excise duties, and corporate taxation. One of the main components of this process is to ensure effective cooperation between the tax administrations of Ukraine and the EU, in particular through the exchange of information to prevent tax evasion.

# HARMONIZATION OF EXCISE DUTY STRUCTURES FOR ALCOHOL AND ALCOHOLIC BEVERAGES

In accordance with the agreements reached at the 6th meeting of Cluster 2 of the Subcommittee on Economy and Other Sectoral Cooperation, it was confirmed that a response from the European Commission was required regarding the comparative tables on the implementation of Council Directive 92/83/EEC on the harmonization of the structures of excise duties on alcohol and alcoholic beverages and Article 1 of Council Directive (EU) 2020/262 lying down the general arrangements for excise duty, which were resubmitted to the European Commission on October 31, 2024.

# IMPLEMENTATION OF THE LEGISLATION OF THE EU MEMBER STATES ON TURNOVER TAXES AND MEASURES TO REFUND VAT TO BUSINESS ENTITIES NOT INCORPORATED IN UKRAINE

On May 18, 2023, the Delegation of the European Union to Ukraine sent a letter to the European Commission, which reads as follows:

- Implementation of Council Directive 86/560/EEC (Thirteenth Directive) is not a priority for Ukraine as a candidate for the EU membership, but approval of the time schedule for the gradual implementation of this Directive is extremely important;
- A prerequisite for such implementation is preparatory work, including an analysis of the economic sectors requiring developed and calculations of possible VAT refunds to non-residents;
- The Thirteenth Directive should be implemented by Ukraine upon acquiring the status of an EU member state.

On March 8, 2024, a letter was sent to the EU Delegation to Ukraine confirming the need to coordinate these aspects of the implementation of the Thirteenth Directive.



# IMPLEMENTATION OF INTERNATIONAL STANDARDS FOR THE EXCHANGE OF INFORMATION FOR TAX PURPOSES

The key achievements of 2024 are:

- 1. Approval by the Global Forum on Transparency and Exchange of Information for Tax Purposes (hereinafter referred to as the OECD Global Forum) of the Report on the maturity of the information security management system based on the results of the assessment by the competent authority of Ukraine (the State Tax Service). The assessment was carried out for compliance with the requirements for confidentiality and data protection for the purposes of international automatic exchange of information (OECD Global Forum Report dated June 26, 2024).
- 2. Implementation of the first automatic exchange of information on financial accounts with international partners in accordance with the CRS Common Reporting Standard in autumn of 2024.

Approval of the Report is an important step in the process of implementing the international automatic exchange of information on financial accounts in Ukraine in accordance with the CRS Common Reporting Standard and Country-Based Reports (CbC Reports). Due to the successful completion of the assessment, Ukraine has become a reliable partner in the international system of automatic exchange of information, which unites more than 100 countries, including all EU member states.

In 2024, international agreements on the automatic exchange of information - MCAA CRS (June 28, 2024) and MCAA CbC (July 04, 2024) - also entered into force. The first reporting campaign for submission of reports by reporting financial institutions on controlled accounts was also successfully completed.

In addition, all the prerequisites were provided for Ukraine to carry out the first international exchange of reports by country in 2026 in accordance with the MCAA CbC.

## NATIONAL REVENUE STRATEGY UNTIL 2030

In pursuance of the National Revenue Strategy until 2030, approved by the Resolution of the Cabinet of Ministers of Ukraine on December 27, 2023, No. 1218-p, in 2024 the Verkhovna Rada of Ukraine adopted the following important laws:

- 1. Law of Ukraine No. 3878 of July 18, 2024 "On amendments to the Tax Code of Ukraine regarding the implementation of the provisions of the EU law on excise duty". In particular, this law provides for:
  - increase in excise duty rates on fuel to the minimum level set by Directive 2003/96/EC:
  - increase in excise duty rates on certain types of alcoholic beverages.
- 2. Law of Ukraine No. 4115 of December 4, 2024 "On amendments to the Tax Code of Ukraine and other laws of Ukraine regarding the revision of excise duty rates on tobacco products". This law provides for a time schedule for increasing the excise duty rates on tobacco products to the level set by Council Directive 2011/64/EU of June 21, 2011 on the structure and rates of excise duty applied to manufactured tobacco.



These efforts are important for the harmonization of Ukrainian tax legislation with the European standards and contribute to the fulfilment of Ukraine's obligations under the Association Agreement. This, in turn, brings Ukraine closer to integration into the European Economic Area.



#### STATISTICS AND INFORMATION EXCHANGE



Cooperation between Ukraine and the EU is pursued within the provisions of Chapter 5 "Statistics" of Title V "Economic and Sectoral Cooperation" of the Association Agreement.

In order to bring national statistical practice closer to the EU standards and requirements, as well as to ensure the implementation of the EU acquis into Ukrainian legislation, the State Statistics Service in 2024 continued to develop, update and improve methodological provisions and reporting and statistical documentation of state statistical observations (hereinafter - SSO).

In the framework of cooperation with the EU statistical agencies and international organizations, the State Statistics Service in 2024 participated in the global consultations of COFOG and ICS-TIP.

In order to improve the classifications of statistics of national accounts, consumer prices, household surveys and introduce changes in the presentation of statistical information on the consumption of goods and services, in 2024, the State Statistics Service developed and approved by Order No. 296 of December 31, 2024, the Classification of individual consumption by purpose based on COICOP 2018.

For compliance with the principles of harmonization of national classifiers with international ones, in 2024, the table of conformity between the Main Nomenclature of Products, which is the national analogue of the Statistical Classification of Products by Economic Activities of the European Union (CPA ver. 2.1) and the Combined Nomenclature of the European Union (CN 2020 - CN 2015-2024), was updated.

Also, the State Statistics Service constantly assesses the quality of official state statistical information on the principles of relevance, reliability, timeliness and accessibility by preparing standardized SSO quality reports. In pursuance of the implementation of Regulation 2023/397 on reference metadata and quality reports for the European Statistical System, the European standard - the Single Integrated Metadata Structure (SIMS) - was introduced to prepare quality reports on statistical data.

According to this structure, as of the end of 2024, quality reports for 87% of state statistical observations were prepared and published on the official website of the State Statistics Service.

## STRUCTURAL STATISTICS

For further harmonization of the methodology and indicators of national state statistical observations with the EU statistical requirements:



- Methodological guidelines for the SSO "Use of information and communication technologies at enterprises" were updated, taking into account the provisions of Commission Regulation (EU) 2024/1883 of July 09, 2024 laying down the technical specifications of data requirements and the deadlines for submission of metadata and quality reports for the topic Information and Communication Technologies usage and e-commerce for the reference year 2025, and new reporting and statistical documentation was prepared for the observation in 2025 (orders of the State Statistics Service of Ukraine No. 252 of October 28, 2024 and No. 122 of April 18, 2024 respectively). The statistical information on the use of information and communication technologies (hereinafter ICT) at enterprises in 2023-2024, generated on the basis of this SSO, is published on the official website of the State Statistics Service (section "Statistical information / Economic statistics / Information society);
- Experimental calculations of the Digital Economy and Society Index indicator "share of enterprises with at least a basic level of digital intensity in the total number of enterprises" in 2023 and 2024 were carried out (the results of these calculations were presented at a working meeting with an EU expert on enterprise ICT statistics, which took place on January 28, 2025 within the framework of the EU4Digital DESI Accelerator project);
- Methodological provisions of the SSO "Enterprise Innovation Activity" and reporting and statistical documentation for conducting the observation for 2022-2024 in accordance with the EU Community Innovation Survey 2024 (orders of the State Statistics Service of Ukraine No. 253 of October 28, 2024 and No. 123 of April 18, 2024, respectively) were developed. The statistical information for 2020-2022 based on the sample SSO "Enterprise Innovation Activity" according to the EU Community Innovation Survey 2022 is published on the official website of the State Statistics Service (section "Statistical Information/Economic Statistics/ Science, Technology and Innovation");
- Amendments to the SSO Methodological Provisions "Structural changes in the
  economy of Ukraine and its regions" and amendments to the SSO Methodological
  Provisions "Research and development" were developed in terms of the
  methodology for calculating the indicators of enterprises under foreign control
  in accordance with the requirements of EU Regulation No. 2020/1197 of July 30,
  2020 (orders of the State Statistics Service of Ukraine No. 254 and 255 of October
  28, 2024, respectively); experimental calculations for 2022 of certain indicators of
  the above SSO for enterprises under foreign control were carried out, the results
  of which will be presented at events with EU experts in 2025.

# AGRICULTURE, FORESTRY, ENVIRONMENT

During 2024, updated reporting and statistical documentation and the Methodological provisions of state statistical observations were approved:

 Supply of dairy raw materials for processing and production of dairy products (for the purpose of implementing Council Directive (EC) No. 96/16/EC of March 19, 1996);



- Availability of agricultural machinery (for the purpose of implementing Regulation (EU) 2018/1091 of the European Parliament and of the Council of July 18, 2018 on integrated farm statistics);
- "Waste" (for the purpose of implementing Regulation (EC) No 2150/2002 of the European Parliament and of the Council of 25 November 2002 on waste statistics).

In addition, work was carried out to update and improve the methodological provisions and reporting and statistical documentation of state statistical observations on crop and livestock statistics, taking into account the provisions of Regulation (EU) 2022/2379 of the European Parliament and of the Council of November 23, 2022 on statistics on agricultural input and output.

In addition, during 2024, efforts were made to transfer livestock statistics datasets to Eurostat via the EDAMIS platform in a test mode.

# SHORT-TERM STATISTICS; TRANSPORTATION STATISTICS

Within the framework of the implementation of Regulation (EU) 2019/2152 of November 27, 2019 on European business statistics and Commission Regulation (EU) 2020/1197 of July 30, 2020 implementing Regulation (EU) 2019/2152 as regards short-term business statistics:

- Indices of internal and external turnover (grouping of sections B-C, sections B, C, sections (except 09)) and main industrial groups adjusted for the effect of calendar days (experimental calculations) were prepared and published on the website of the State Statistics Service:
- Methodological provisions of the state statistical observation "Changes in import prices" and the Methodology for selecting enterprises for calculating import price indices were approved;
- Standard quality reports on the SSO SIMS were prepared and posted on the official website of the State Statistics Service: "Economic indicators of short-term statistics in construction", "Indicators of short-term statistics in industrial production by type", "Indicators of construction start and completion", "Activities of maritime and inland water transport enterprises", "Economic indicators of industry short-term statistics", "Indicators of economic activity of non-financial services enterprises", "Sales and stocks of goods in the trade network", "Activities of land transport enterprises", "Changes in prices of service producers";
- Reports on the quality of administrative data of JSC Ukrzaliznytsia and the National commission for the state regulation of electronic communications, radio frequency spectrum and postal services were prepared.

During 2024, efforts were made to transfer to Eurostat via the EDAMIS platform in a test mode certain datasets on railway transport statistics for 2021, a dataset (BCS\_PPC\_Q) on price indices in the construction of residential buildings in Ukraine for the period from the first quarter of 2021 to the third quarter of 2024 to the annual average of 2021, as well as one-time in a test mode - certain sets of short-term enterprise statistics (STS).



#### FOREIGN ECONOMIC ACTIVITY AND ENERGY STATISTICS

In 2024:

- provisions of Commission Regulation (EU) 2024/264 of January 17, 2024 amending Regulation (EC) 1099/2008 on energy statistics were implemented, including changes to the methodological recommendations for the formation of indicators and the provision of data in new formats of Eurostat questionnaires; involvement in organizational and methodological efforts aimed at expanding the use of administrative data on crude oil imports and electricity transformation and distribution on a monthly basis by concluding an information exchange agreement with the relevant data provider the NEURC, the Ministry of Energy and Naftogaz of Ukraine LLC / Company to access administrative data to ensure the formation and transfer of data sets to Eurostat, as well as to optimize statistical reporting and reduce workload on the respondent;
- cooperation with Eurostat in statistics on foreign trade in services and foreign economic investment was ensured through participation in Eurostat's thematic working groups on statistics on foreign trade in services and balance of payments;
- cooperation with the International Trade Centre (ITC) continued within the framework of the new five-year project "Information and Reference Service on Trade in the Eastern Partnership and the EU countries", which is part of the EU4Business project, and data on foreign trade in goods statistics is being transferred according to the agreed structure and format;
- detailed information on export-import operations from the foreign trade in goods statistics was provided on a monthly basis to the Eurostat COMEXT database.

As part of the work to support Ukraine's negotiation process with the European Union under the negotiating chapter 18 "Statistics", in particular in the context of the transfer by the State Statistics Service of data sets and metadata to Eurostat, as provided for in the Compendium of Statistical Requirements (Compendium 2024), the data set on international trade in goods statistics COMEXT\_AGG\_M was transferred to Eurostat via the EDAMIS platform.

A focus group on statistics in foreign trade in goods was held. The methodology of state statistical observation "Investments in foreign economic activity" was improved.

Standardized quality reports (based on the SIMS structure) on the state statistical observations were prepared and published on the website of the State Statistics Service: "Foreign Trade in Goods", "Investments in Foreign Economic Activity", "Foreign Trade in Services", "On Prices for Natural Gas and Electricity Supplied to Consumers", "Fuel Use and Reserves", "Energy Balance of Ukraine" and reports on the quality of administrative data used for the purposes of these observations.

#### PRICE STATISTICS

Three standard quality reports on SIMS SSO "Changes in prices in the housing market"; "Price survey under the International Comparison Program"; "Changes in prices (tariffs) for consumer goods (services)" were prepared and posted on the official website of the



State Statistics Service. Reports on the quality of administrative data of the Ministry of Justice of Ukraine and EMARKET UKRAINE LLC were prepared.

In addition, the data sets and metadata were prepared and transferred to Eurostat in accordance with the Compendium of EU statistical requirements (Compendium 2024), in particular in the subject area "Spatial comparison of prices".

#### INFORMATION DISSEMINATION

Taking into account the European Statistics Code of Practice and the relevant practices of statistical offices of the EU countries the following was developed and approved:

- Communication Strategy of the State Statistics Service of Ukraine until 2028 (Order of the State Statistics Service of Ukraine No. 1 of January 1, 2024), aiming to improve the image of the State Statistics Service as a leading source of official state statistical information;
- Procedure for preparing a report on a statistical product (Order of the State Statistics Service of Ukraine No. 251 of October 28, 2024), defining common approaches and procedures for studying the needs of users, their requirements for content and methods of disseminating official state statistical information.

In addition, in 2024, in order to bring the provisions of the Policy on the dissemination of official state statistical information in line with the provisions of the Law of Ukraine No. 2115-IX of March 03, 2022 "On protection of the interests of subjects of submission of reports and other documents during martial law or a state of war", an amendment was made that regulates and stipulates that official state statistical information for which appropriate quality cannot be assured may not be disseminated (Order of the State Statistics Service of Ukraine of December 21, 2022 No. 335 (as amended by the Order of the State Statistics Service of May 22, 2024 No. 150), registered with the Ministry of Justice of Ukraine on January 1, 2024, No. 853/42198).

# **REGIONAL STATISTICS**

In 2024, the State Statistics Service made a number of efforts to coordinate with Eurostat the division of Ukraine's territory into "statistical regions". In particular, the State Statistics Service developed the Nomenclature of Territorial Units for Statistics of Ukraine (NUTS-UA), which was approved by Eurostat in May 2024 and approved by the Order of the State Statistics Service of July 18, 2024 No. 189. It should be noted that in the recommendations of the European Commission based on the results of the official screening of the implementation of the EU law under Chapter 18 "Statistics", it is stated that the agreement between Ukraine and Eurostat on the use of "statistical regions" compatible with NUTS regions, concluded in May 2024, was a significant achievement.

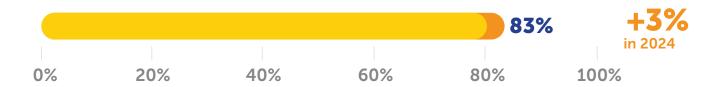


#### POPULATION STATISTICS

For the purpose of estimating the size of the population of Ukraine, the State Statistics Service continued its cooperation with the United Nations Population Fund (UNFPA) within the framework of the international technical assistance project "Support to the State Statistics Service of Ukraine in conducting population estimates in Ukraine". With the financial support of UNFPA, based on the data of mobile operators, the State Statistics Service continued experimental calculations and estimated the size of the population for 2023 and January-May 2024.



#### **ENVIRONMENT AND CIVIL PROTECTION**



#### **ENVIRONMENT**

In 2024, the following laws were adopted to implement the Association Agreement and approximate national legislation to the EU law:

- "On integrated prevention and control of industrial pollution" (Directive 2010/75/EU)
  No. 3855-IX of July 16, 2024, which establishes the legal and organizational
  framework for the prevention, reduction and control of industrial pollution to ensure
  the protection of the environment and constitutional rights to a safe environment
  for life and health through the introduction of an integrated environmental
  permit, determination of types of activities, that require obtaining such a permit,
  requirements for the mandatory use of the best available technologies and methods
  of management, monitoring of emissions and control of compliance with the terms
  of the integrated environmental permit;
- "On the main principles of the state climate policy" No. 3991-IX of October 8, 2024 (Regulations 2021/1119 and 2018/1999), which, in particular, defines the legal and organizational principles of the state climate policy aimed at ensuring low-carbon development of Ukraine, achieving climate neutrality, adaptation to climate change, and fulfilling Ukraine's international obligations in this area, as well as the principles of creating a national system of inventory of anthropogenic emissions from sources and absorption of greenhouse gases by sinks, functioning of the national system of tracking the implementation of policies and measures and forecasting in climate change, in order to approximate national climate legislation to the law of the European Union;
- "On ratification of the amendments to the Convention on access to information, public participation in decision-making and access to justice in environmental matters" No. 4139-IX of December 5, 2024, which expanded public participation in decision-making and access to justice in environmental matters, as well as in decision-making on the intentional introduction into the environment and market sale of genetically modified organisms.

In addition, the Cabinet of Ministers of Ukraine approved the Strategy for the Formation and Implementation of State Policy on Climate Change until 2035 by its Resolution No. 483 of May 30, 2024, and approved an action plan for its implementation in 2024-2026.

The Resolution of the Cabinet of Ministers of Ukraine No. 1211 of October 25, 2024 amended the criteria for assessing the degree of economic activity risk and determining the frequency of planned state supervision (control) measures in the field of environmental protection, rational use, reproduction and protection of natural resources.



#### **AMBIENT AIR**

The Resolution of the Cabinet of Ministers of Ukraine No. 513 of May 07, 2024 amended the Procedure for state monitoring of ambient air protection. These amendments are aimed at implementing the unaccounted-for provisions of Directive 2004/107/EC of the European Parliament and of the Council of 15 May 2004 relating to arsenic, cadmium, mercury, nickel and polycyclic aromatic hydrocarbons in ambient air and Directive 2008/50/EC of the European Parliament and of the Council of 21 May 2008 on ambient air quality and cleaner air for Europe.

Efforts are underway to develop a monitoring network and upgrade chemical laboratory equipment.

#### WATER RESOURCES

Management plans for the river basins of Danube, Dniester, Dnipro, Don, Southern Bug, Vistula rivers, rivers of the Azov, Black Sea, and Crimea regions were approved (Directive 2000/60/EC).

Resolution of the Cabinet of Ministers of Ukraine No. 1071 of September 06, 2024 amended certain resolutions of the Cabinet of Ministers of Ukraine on water monitoring, which will facilitate the implementation of the provisions of Directive 2009/90/EC and Directive 2000/60/EC.

Environmental standards for the quality of surface water bodies were approved by the Order of the Ministry of Environment Protection No. 332 of April 1, 2024, registered with the Ministry of Justice of Ukraine on May 29, 2024 under No. 789/42134.

#### **FORESTRY**

In order to establish the legal and organizational framework for the production and circulation of forest reproductive material in Ukraine, its import and export, the Verkhovna Rada of Ukraine is preparing a draft law on forest reproductive resources (reg. No. 9116 of March 17, 2023) for the second reading. The draft law provides for the introduction of a mechanism for the harvesting and sale of forest seeds and planting material adapted to the requirements of the EU directives on the circulation of forest reproductive material, its labelling and packaging, in particular Directive 1999/105/EC.

#### WASTE MANAGEMENT

The Cabinet of Ministers of Ukraine approved the National Waste Management Plan until 2033 by the Order of the Cabinet of Ministers of Ukraine No. 1353 of December 27, 2024.

The Cabinet of Ministers of Ukraine has approved the Draft Law of Ukraine "On mining waste management" (Directive 2006/21/EC) (the Draft Law was registered in the Verkhovna Rada of Ukraine under reg. No. 12180 of November 05, 2024).

Resolution of the Cabinet of Ministers of Ukraine No. 1067 of September 17, 2024 approved the Procedure for granting written consent (notification) for transboundary



transportation of hazardous waste and a conclusion on transboundary transportation of waste, which provides for the adoption of regulations necessary for the implementation of the Law of Ukraine "On waste management" and ensuring compliance with environmental safety requirements during transboundary transportation of hazardous waste.

The Order of the Ministry of Environment Protection No. 455 of April 29, 2024 "On approval of the Requirements for the plan to bring the waste disposal site in line with the requirements of the legislation" was adopted, registered with the Ministry of Justice of Ukraine on June 18, 2024 under No. 911/42256.

Pursuant to the Law of Ukraine "On waste management", developed in accordance with Directive 2008/98/EC, the Ministry of Environment adopted Order No. 81 of January 22, 2024 "On approval of the Requirements for the sections of the draft regional waste management plan", registered with the Ministry of Justice of Ukraine on February 5, 2024 under No. 178/41523.

#### CHEMICAL SAFETY

As part of the harmonization of national legislation on chemical safety and management of chemical products with the EU acquis (REACH, CLP) and pursuant to the Law of Ukraine "On chemical safety and management of chemical products", a number of resolutions of the Cabinet of Ministers of Ukraine were adopted:

- 1) "On approval of the technical regulations on hazard classification, labelling and packaging of chemical products" No. 539 of May 10, 2024;
- 2) "On approval of the procedure for registration of notifications on the use of an alternative name of a chemical substance" No. 710 of June 18, 2024;
- 3) "On approval of the procedure for the creation and administration of the Chemical Safety Information System" No. 736 of June 21, 2024;
- 4) "On approval of the Procedure for the formation and maintenance of the list of dual-use chemicals" No. 745 of June 25, 2024;
- 5) "On approval of the Technical regulations on the safety of chemical products" No. 847 of July 23, 2024;
- 6) "On approval of the Procedures for issuance (refusal to issue, renewal, revocation) of permits for the use of toxic chemicals and especially hazardous chemicals that are withdrawn from the market" No. 870 of August 02, 2024;
- 7) "On approval of the Procedure for monitoring threats to chemical safety and identifying their sources" No. 891 of August 06, 2024;
- 8) "On approval of the Procedure for maintaining the State Register of Chemicals" No. 946 of August 20, 2024;
- 9) "On approval of the Procedure for recording measures of state supervision (control) of chemical safety and management of chemical products or separate actions by technical devices and means with photo and/or video recording, audio and/or video recording functions" No. 1157 of October 11, 2024.



#### **CIVIL PROTECTION**

As part of the implementation of Directive 2012/18/EU of July 4, 2012 on the control of major-accident hazards involving dangerous substances, amending and subsequently repealing Council Directive 96/82/EC (Seveso III Directive), the necessary regulations on high-risk facilities were adopted, a procedure for their identification was developed, and a policy for preventing accidents at high-risk facilities was defined. The SESU also ensured the development and administration of the State Electronic Register of High Risk Facilities.

As part of the implementation of Directive 2007/60/EC of October 23, 2007 on the assessment and management of flood risks (Flood Directive), Ukrainian legislation was harmonized with the EU law, and flood risk management plans were developed and implemented in certain areas within river basin districts. The SESU monitors and controls the implementation of the above-mentioned plans and informs the Cabinet of Ministers of Ukraine on the status of their implementation.

As part of emergency risk management:

- The Procedure for zoning territories based on the results of determining the levels of risks of emergencies related to the presence of high-risk objects, as well as the impact of dangerous geological, hydrological and meteorological phenomena and processes was developed (approved by Order of the Ministry of Internal Affairs of Ukraine No. 611 of September 06, 2024, registered with the Ministry of Justice of Ukraine on September 23, 2024 under No. 1426/42771);
- data on emergencies in Ukraine were collected and summarized, and the relevant sections of the online monitoring system of the Sendai Framework for Disaster Risk Reduction 2015-2030 were filled in (https://sendaimonitor.unisdr.org);
- Within the framework of cooperation under the EU Civil Protection Mechanism, cooperation was established with the Directorate for Disaster Preparedness and Prevention of the Directorate-General for European Civil Protection and Humanitarian Aid Operations (Directorate B), in particular, the participation of Ukrainian experts in the working group on disaster prevention and risk management. Regular 24/7 information exchange with the Emergency Response Coordination Centre (ERCC) of the European Commission's Directorate-General for Civil Protection and Humanitarian Aid Operations (DG ECHO) was also ensured.



# TRANSPORT, TRANSPORT INFRASTRUCTURE, POSTAL AND COURIER SERVICES



Resolution of the Cabinet of Ministers of Ukraine No. 1550 of December 27, 2024 approved the National Transport Strategy of Ukraine until 2030 and approved an action plan for its implementation in 2025-2027. The purpose of adopting the updated Strategy was to actualize it in view of the challenges faced by Ukraine's transport industry in connection with the full-scale invasion of the Russian Federation and those that will arise in the future in the process of recovery of Ukraine's transport sector from the consequences of armed aggression. The updated National Transport Strategy of Ukraine will increase the institutional capacity of the transport sector's governing bodies, promote human capital development, and digitalize the industry to further implement sectoral reforms and support Ukraine's European integration course.

Order of the Cabinet of Ministers of Ukraine No. 1337-p of December 24, 2024 approved the Strategy for the Development and Construction of Border Infrastructure with the European Union and the Republic of Moldova until 2030 and approved the Action Plan for its implementation in 2024-2030.

The main objectives of the Strategy are:

- Increasing the capacity of border infrastructure;
- Launching joint customs and border control with neighbouring countries;
- Digitalization of border crossing to reduce waiting time in the queue;
- Creating a network of waiting areas.

The strategy, in particular, provides for:

- Reconstruction of 29 checkpoints and construction of 17 new checkpoints;
- Reconstruction of railway tracks, multimodal terminals, and electrification of tracks;
- Signing agreements on joint control with neighbouring countries Poland, Slovakia, Hungary and Romania, and introducing the appropriate type of control at checkpoints;
- Introduction of mechanisms for forecasting peaks in traffic and passenger flows for prompt response and redirection of vehicles to less busy checkpoints.

#### INLAND WATERWAY AND INTERNATIONAL MARITIME TRANSPORT

Order of the Ministry of Infrastructure No. 265 of March 29, 2024 "On approval of the Regulation on assignment and confirmation of qualifications of crew members of inland navigation vessels", which establishes the conditions and procedures for assigning and



confirming the qualifications of individuals involved in the operation of vessels navigating inland waterways was adopted, taking into account the provisions of the Law of Ukraine "On inland waterway transport" and Directive 2017/2397 of the European Parliament and of the Council of 12 December 2017 on the recognition of professional qualifications in inland navigation and repealing Council Directives 91/672/EEC and 96/50/EC.

#### **ROAD TRANSPORT**

On June 20, 2024, an Agreement was signed between Ukraine and the European Union on Amendments to the EU–Ukraine agreement on the carriage of freight by road, which aims to extend the liberalization of freight transport until June 30, 2025, with an additional 6-month extension in case of no violations of the provisions of this Agreement. Given the full-scale invasion of Ukraine by Russian troops, freight by road is currently the main mode of transportation to the EU, including to the EU ports.

Resolution of the Cabinet of Ministers of Ukraine of June 18, 2024 No. 712 "On amendments to the licensing conditions for the implementation of economic activities in the transportation of passengers, dangerous goods and hazardous waste by road, international transportation of passengers and goods by road" was adopted.

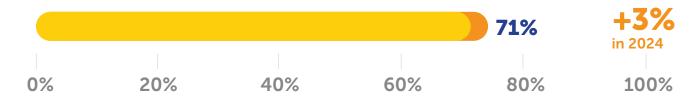
#### POSTAL AND COURIER SERVICES

In order to improve the current regulations on postal services and ensure practical implementation of the provisions of the Law of Ukraine No. 2722-IX of November 03, 2022 "On postal services", the following regulations were developed and adopted:

- Procedure and form of maintaining the unified state register of postal operators (amended by the NCEC Resolutions No. 35 of January 31, 2024, No. 542 of October 09, 2024 and No. 575 of October 23, 2024);
- Procedure for submission of reports and information by postal operators (amended by the NCEC Resolution No. 35 of January 31, 2024);
- Limit prices (tariffs) for postal services for sending of domestic simple and registered letters without declared value (registered) weighing up to 50 grams and post cards (amended by the NCEC Resolution No. 687 of November 27, 2024).



# SCIENCE, TECHNOLOGY AND INNOVATIONS, SPACE, DIGITAL INTEGRATION



# PARTICIPATION IN THE HORIZON EUROPE PROGRAM

In 2024, the creation of infrastructure was completed to support Ukraine's participation in the ninth EU program for research and innovations, Horizon Europe, with a budget of EUR 95.5 billion for 2021-2027, including:

- The Regulation on National Contact Points (hereinafter referred to as NCPs) and the Coordination Centre of the Horizon Europe Program was approved to establish a network of NCPs and the Coordination Centre (Resolution of the Cabinet of Ministers of Ukraine No. 214 of February 27, 2024);
- A network of 22 NCPs was created in 15 higher educational institutions, 5 scientific institutions of the National Academy of Sciences of Ukraine and 2 state institutions (Order of the Ministry of Education and Science of Ukraine No. 838 of June 13, 2024);
- The list of representatives of Ukraine in the committees of the Horizon Europe program was updated (Order of the Ministry of Education and Science of Ukraine No. 53 of January 17, 2024).

As of December 2024, Ukrainian organizations are implementing 204 projects under the EU's Horizon Europe and Euratom programs worth EUR 63.79 million. In 2024, Ukrainian institutions and organizations started implementing 98 new projects.

On September 12, 2024, the second meeting of the Ukraine-EU/Euratom Research and Innovation Committee took place in a mixed format, where key reforms and needs of the Ukrainian research system, participation in the Horizon Europe and Euratom programs, Ukraine's approach to Open Science, and updates of key EU programs (ERA Policy Agenda, European Innovation Agenda, Communication on the Global Approach to R&I) were discussed.

Ukraine's Innovation Digital Development Strategy until 2030 and an action plan for its implementation in 2025-2027 were approved (Resolution of the Cabinet of Ministers of Ukraine No. 1351-r of December 31, 2024). The Strategy defines the vision, of Ukraine as a country, of innovations; directions, principles, goals and objectives of the state policy on innovations.

In order to promote innovation, a pilot project was introduced to create a network of start-up schools, incubators and accelerators on the basis of higher education institutions and research institutions (Resolution of the Cabinet of Ministers of Ukraine No. 430 of April 23, 2024), and six higher education institutions were selected through a competitive selection process.



33 scientific and technical projects were selected for funding from the external assistance instrument of the European Union to fulfil Ukraine's obligations under the European Union Framework Program for Research and Innovation "Horizon 2020" for a total amount of EUR 3.12 million (Order of the Ministry of Education and Science of August 08, 2024 No. 1103).

The Resolution of the Cabinet of Ministers of Ukraine No. 152 of February 13, 2024, regulates the monitoring of scientific results in defended dissertations for a degree or academic degree in law with aim of using scientific research results in law-making.

# **SPACE**

Ukraine continued its active participation in the Copernicus program. In 2024, specialists of the National Space Facilities Control and Test Centre (hereinafter referred to as NSFCTC) together with the European Space Agency (hereinafter referred to as ESA) started preparation for the transition to the new Copernicus Data Space Ecosystem, which will provide uninterrupted access to Sentinel data. The operation of the Regional Mirror Site of the Copernicus program for accessing and analysing satellite data was also continued. Within the framework of cooperation with EUMETSAT, work continues on concluding an agreement on the technical operation of the space component of the Copernicus program. Access was gained to the International Data Hub, the Regional Mirror Site of the Copernicus Program was tested and remote sensing data was received from European institutions to the Ukrainian hub at the NSFCTC SSA.

The participation of the Ukrainian Party in the VEGA project was ensured. In 2024, 2 successful launches of VEGA and VEGA-C launch vehicles were carried out. Ukrainian space industry enterprises supplied the fourth stage boosters of launch vehicles.

In 2024, the process of Ukraine's integration into ESA was intensified. On July 5 and 24, 2024, an Agreement was signed (in the form of an exchange of letters) on the resumption of cooperation between Ukraine and the ESA on the peaceful uses of outer space. Domestic procedures for the entry into force of this agreement have started.

#### **ELECTRONIC COMMUNICATIONS**

For the purpose of practical implementation of the Laws of Ukraine No. 1089-IX of December 16, 2020 "On electronic communications" and No. 1971-IX of December 16, 2021 "On the National Commission for the State Regulation of Electronic Communications, Radio Frequency Spectrum and Postal Services", which implement the provisions of Directive 2018/1972 of the European Parliament and of the Council of December 11, 2018, establishing the European Electronic Communications Code, in 2024, the NCEC developed and adopted 29 regulatory acts (17 of which are specifically aimed at implementing the provisions of the Directive). The relevant regulations, among other things, addressed the following issues:

 access to the cable duct infrastructure of electronic communications networks and physical infrastructure of electronic communications for the deployment of highspeed networks;



- testing the parameters of electronic communication networks and the quality of electronic communication services;
- consumer complaints and dispute resolution;
- provision of number portability services;
- use of radio equipment and radiating devices by general users of the radio frequency spectrum;
- roaming in public mobile networks;
- publishing information on the quality of electronic communication services;
- measurement of quality parameters and calculation of quality indicators of mobile services;
- calculating the fine for violation of the legislation on electronic communications and radio frequency spectrum.

#### **ELECTRONIC TRUST SERVICES**

In September 2024, Ukraine held technical consultations with DG CONNECT and DG TRADE on the procedure for updating Annex XVII-3 (Rules applicable to telecommunications services) to Annex XVII to the Association Agreement. It was agreed that the Annex could be updated in the spring of 2025 after the European Commission adopts all necessary implementing acts to update the eIDAS Regulation. The Parties also agreed to update the Joint work plan on electronic trust services. Following the consultations, Ukraine drafted a revised Joint work plan.

#### REGULATION OF THE RADIO FREQUENCY SPECTRUM

In 2024, Resolution of the Cabinet of Ministers of Ukraine No. 1340 of December 19, 2023 "On approval of the plan for the distribution and use of radio frequency spectrum in Ukraine" came into force. In addition, Resolution of the Cabinet of Ministers of Ukraine No. 1253 of November 1, 2024 "On amendments to the plan for the distribution and use of radio frequency spectrum in Ukraine", further amended the said plan, eliminating technical deficiencies and determining the termination of the use of radio frequencies in the range of 694-790, 790-862 MHz for the technology "Analog Television Broadcasting" and "Digital Television Broadcasting DVB-T" from December 31, 2026.

# PARTICIPATION IN THE DIGITAL EUROPE PROGRAM

In July 2024, the European Commission announced the results of a call for proposals for the opening of European Digital Innovation Hubs (hereinafter referred to as EDIHs) in Ukraine, which will join the European Network under the EU's Digital Europe program. The competition identified 12 winners who will form the EDIHs network, of which 6 will receive co-financing from the EU. As part of the competition, 6 associations also received the Seal of Excellence award and will join the EDIH network without receiving EU funding. As of the end of 2024, grant agreements are being signed and formalities are being



finalized. The first EDIHs have already started operations.

The hubs will provide services to business and public sector in 4 areas:

- training and professional development of employees;
- search for sources of funding for the implementation of digital transformation, as well as the development of new digital services and business models;
- providing facilities, infrastructure and support for testing digital and innovative technologies;
- search for partners, in particular abroad.

In 2024, Ukraine will join the activities of Specific Objective 3 "Cybersecurity and Trust" of the Program and receive appropriate support under the EU Cyber Reserve. It is planned to amend the Agreement between Ukraine and the European Union on Ukraine's participation in the European Union's Digital Europe Program (2021-2027) after appropriate consultations with the EU.

#### INTEGRATION OF UKRAINE INTO DESI (DIGITAL ECONOMY AND SOCIETY INDEX)

Pursuant to paragraph 2 of the Order of the Cabinet of Ministers of Ukraine No. 774-r of September 05, 2023 "On approval of the list of indicators of the Digital Economy and Society Index (DESI)", the Order of the Ministry of Digital Transformation of Ukraine No. H157 of October 24, 2024 "On approval of the Methodological recommendations on the methodology for compiling the indicators of the Digital Economy and Society Index (DESI)" was adopted, according to which relevant structural units of the responsible authorities are identified for the collection and publication of relevant indicators.

#### ROAMING WITH THE EU

Pursuant to Decision No. 1/2023 of the EU-Ukraine Association Committee in the Trade Configuration, in order to approximate Ukrainian legislation to the EU acquis in accordance with the list and conditions set out in Annex XVII "Regulatory Approximation" (in particular, Annex XVII-3) to the Association Agreement, as well to create conditions for Ukraine's practical integration into the EU Digital Single Market through obtaining internal market treatment with the EU in terms of roaming services in public mobile networks and joining the EU Roam-Like-At-Home (RLAH) policy, the Law of Ukraine No. 3727-IX of May 22, 2024 "On amendments to certain legislative acts of Ukraine regarding the implementation of European legislation on roaming" was adopted (entered into force on June 20, 2024) and 5 regulatory acts were developed and adopted:

- Rules for the provision of retail regulated roaming services, which establish requirements for the provision of retail roaming services at home retail prices for service users (NCEC Resolution No. 409 of August 07, 2024, registered with the Ministry of Justice of Ukraine on August 22, 2024 under No. 1292/42637);
- Terms and conditions for the wholesale access (including wholesale payment for regulated roaming services) to electronic communication networks of public mobile communications for the provision of regulated roaming services, which establish the principles of access to mobile communication networks for the provision of



wholesale roaming services, as well as wholesale payment for regulated roaming services (NCEC Resolution No. 410 of August 07, 2024, registered with the Ministry of Justice of Ukraine on August 22, 2024 under No. 1290/42635);

- Rules for the application of the fair use policy for the consumption of retail regulated roaming services provided at domestic retail prices in order to prevent abuse or abnormal consumption of retail regulated roaming services by roaming users in the EU-Ukraine roaming area, and imposing additional surcharges for the consumption of retail regulated roaming services in excess of any limits under any fair use policy, that introduce restrictions on abnormal consumption of roaming services and establish additional surcharges for excessive use of services (NCEC Resolution No. 411 of August 07, 2024, registered with the Ministry of Justice of Ukraine on August 21, 2024 under No. 1286/42631);
- Unified ceiling rates for the termination of voice traffic on mobile and fixed-line networks originating from European Union numbers or Ukrainian numbers roaming in the European Union, which are charged by wholesale service providers for the provision of voice traffic termination services, which is an important element to ensure equal conditions for all market participants (NCEC Resolution No. 412 of August 07, 2024, registered with the Ministry of Justice of Ukraine on August 21, 2024 under No. 1282/42627);
- Procedure and methodology for assessing the sustainability of retail regulated roaming services at domestic prices, which define the procedure and methods for assessing the stability and quality of roaming services at domestic retail prices (NCEC Resolution No. 413 of August 07, 2024, registered with the Ministry of Justice of Ukraine on August 21, 2024 under No. 1283/42628).

Also, the NCEC adopted Decision No. 342 of June 26, 2024 "On amendments to the NCEC Regulations" regarding organizational and administrative aspects of cooperation with the Body of European Regulators for Electronic Communications (BEREC).

In addition, the Draft Law of Ukraine "On amendments to certain laws of Ukraine regarding the implementation of the European Union legislation on electronic communications" (reg. No. 12150 of October 25, 2024) was developed to properly implement the provisions of Articles 59-61 of Directive 2018/1972 of the European Parliament and of the Council of December 11, 2018 establishing the European Electronic Communications Code, which are important in the context of joining the EU Roam Like at Home policy.

On November 07, 2024, pursuant to the provisions of Article 4 of Annex XVII to the Association Agreement, the Ukrainian Party notified the European Commission (along with the submission of the full package of necessary documents) of the completion of the transposition of the EU roaming acquis, together with a request to assess the national legislation for its compliance with the EU roaming law.

In July 2024, for the fifth time, the Joint Statement by Ukrainian and European operators on affordable roaming for Ukrainians in the EU was extended (for 12 months - until July 2025), taking into account the results of the monitoring of the implementation of the Joint Statement by the signatories conducted by the NCEC and BEREC.



#### INTRODUCTION OF A SINGLE EUROPEAN EMERGENCY NUMBER 112

Since December 16, 2024, the Ministry of Internal Affairs has ensured the functioning and implementation of the emergency assistance system for the population via a single telephone number 112 (hereinafter referred to as the 112 system) throughout Ukraine.

Starting from April 29, 2024, the 112 system was expanded to cover the service area in Volyn, Rivne, Khmelnytsky, Ivano-Frankivsk, Ternopil, Zakarpattia, and Chernivtsi oblasts at the Service 112 communication centre in Lviv. Also, the service in Dnipropetrovsk oblast was launched on the basis of the Service 112 communication centre in Kyiv.

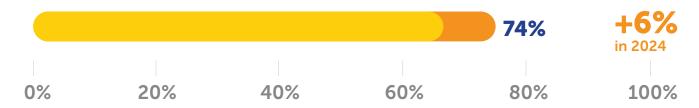
Starting from August 30, 2024, the 112 system was expanded to cover the service area in Zaporizhzhia, Kharkiv, Donetsk, Luhansk, Poltava, Sumy oblasts (Eastern macro-region) on the basis of the Service 112 communication centre in Dnipro.

On December 02, 2024, the Service 112 communication centre in Kyiv started servicing Odesa oblast. On December 16, 2024, the 112 system was expanded to cover Kirovohrad, Mykolaiv, Odesa oblasts (southern macro-region) on the basis of the Service 112 communication centre in Kyiv.

The 112 Communication Centres in Ukraine are actively working to ensure that emergency services are accessible to people with disabilities. People with hearing and speech impairments can receive immediate assistance in the event of an emergency by contacting the 112 Communication Centre. In particular, the possibility of processing calls using sign language in a video call mode has been introduced.



#### **FINANCIAL SERVICES**



Ukraine's obligations regarding financial services fall within the scope of legal relations covered by the provisions of Subsection 6 "Financial Services" of Chapter 6 "Establishment, Trade in Services and Electronic Commerce" of Title IV "Trade and Trade-Related Matters" of the Association Agreement.

#### **BANKING SECTOR**

In 2024, the National Bank of Ukraine made a significant step towards the implementation of the EU legislation on regulation of banks and banking groups in Ukraine, in particular, the Board of the National Bank of Ukraine adopted regulations/orders to introduce:

- Liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) on a consolidated basis (Resolution of the Board of the National Bank of Ukraine No. 2 of January 5, 2024 "On approval of amendments to certain regulatory acts of the National Bank of Ukraine" and Decision of the Board of the National Bank of Ukraine No. 4-рш of January 5, 2024 "On approval of amendments to certain regulatory acts of the National Bank of Ukraine");
- Clarified approaches to the definition of non-performing assets, as well as termination of recognition of the debtor's default (Resolution of the Board of the National Bank of Ukraine No. 52 of May 1, 2024 "On amendments to certain regulatory legal acts of the National Bank of Ukraine");
- Updated minimum capital adequacy requirements for banks (Resolution of the Board of the National Bank of Ukraine No. 65 of June 07, 2024 "On approval of amendments to certain regulatory legal acts of the National Bank of Ukraine and establishment of transitional provisions for the introduction of updated capital requirements for banks");
- Updated capital structure of banking groups and minimum capital adequacy requirements for banking groups (Resolution of the Board of the National Bank of Ukraine No. 86 of July 17, 2024 "On approval of amendments to certain regulatory acts of the National Bank of Ukraine on banking groups regulation");
- Internal liquidity adequacy assessment process (ILAAP) (Resolution of the Board of the National Bank of Ukraine No. 88 of July 19, 2024 "On approval of the Regulation on the organization of the internal liquidity adequacy assessment process in Ukrainian banks and banking groups");
- Leverage ratio (LR), which includes the calculation of the amount of exposure to derivatives based on the method of assessing counterparty credit risk (CCR) (Resolution of the Board of the National Bank of Ukraine No. 89 of July 19, 2024)



- "On approval of the Regulation on the procedure for calculating the value of the leverage ratio by banks of Ukraine and banking groups");
- Requirements for assessing the amount of settlement risk that should be covered by capital (Resolution of the Board of the National Bank of Ukraine No. 158 of December 23, 2024 "On approval of the Regulation on the procedure for determining the minimum amount of settlement risk by banks of Ukraine and banking groups").

At the same time, in order to improve banking supervision tools, the NBU adopted/approved the following in 2024:

- Procedure for ongoing monitoring of the bank's financial status and indicators of the banking group (decision of the Board of the National Bank of Ukraine No. 164-rsh of May 11, 2024);
- Order No. 1734-ra of June 06, 2024 "On strengthening the effectiveness of control over the implementation by banks of recommendations provided as a result of Supervisory Review and Evaluation Process (SREP)";
- Procedure for assessing the level of corporate governance and internal control of banks by the National Bank of Ukraine (Decision of the Board of the National Bank of Ukraine No. 203-рш of June 10, 2024);
- Amendments to the procedure for the assessment of banks' business models by the National Bank of Ukraine, approved by the decision of the Board of the National Bank of Ukraine No. 428-рш of August 26, 2021 (decision of the Board of the National Bank of Ukraine No. 379-рш of October 17, 2024);
- Concept of amendments to the legislative regulation of valuation in the financial sector, including changes to the process of valuation of bank collateral and control over its quality (decision of the Board of the National Bank of Ukraine of November 07, 2024 (extract from the protocol No. 76/BT);
- Methodology for assessing the risks of banks to determine the priorities of supervisory activities (Order No. 1138-no of December 20, 2024);
- Supervisory action plan for banks based on the established level of supervision intensity for 2025 (Order No. 4046-ra of December 24, 2024);
- Amendments to the Regulation on the procedure for assessing banks in the course of banking supervision by the National Bank of Ukraine, approved by the decision of the Board of the National Bank of Ukraine No. 236-рш of June 07, 2021 (decision of the Board of the National Bank of Ukraine No. 294-рш of August 13, 2024);
- Amendments to the Regulation on the off-site banking supervision by the National Bank of Ukraine, approved by Resolution of the Board of the National Bank of Ukraine No. 135 of December 06, 2018 (Resolution of the Board of the National Bank of Ukraine No. 151 of December 18, 2024).

#### NON-BANKING FINANCIAL SERVICES SECTOR

In 2024, work continued on the development of regulations of the National Bank of Ukraine to implement the provisions of Law of Ukraine No. 1953-IX of December 14, 2021 "On financial services and financial companies", Law of Ukraine No. 1909-IX of November



18, 2021 "On insurance", Law of Ukraine No. 3254-IX of July 14, 2023 "On credit unions", which updated the general regulation and supervision of the non-banking financial services market and took into account the provisions of Directives 2009/138/EC, 2016/97, 2015/2366/EU, as well as the Law of Ukraine No. 3720-IX of May 21, 2024 "On compulsory insurance of civil liability of owners of road vehicles" (effective January 1, 2025), which takes into account the requirements of Directive 2009/103/EC.

In particular, the following regulations were approved:

- Regulation on the Procedure for regulating the activities of credit unions in Ukraine (Resolution of the Board of the National Bank of Ukraine No. 14 of February 2, 2024);
- Regulations on the requirements for the management system of a credit union (Resolution of the Board of the National Bank of Ukraine No. 15 of February 02, 2024);
- Regulation on the reorganization and liquidation of a credit union by decision of the general meeting of members of the credit union (Resolution of the Board of the National Bank of Ukraine No. 16 of February 02, 2024);
- Regulations on the requirements for an additional report of the auditor on the insurer and the procedure for its submission (Resolution of the Board of the National Bank of Ukraine No. 20 of February 15, 2024);
- Regulation on establishing the methodology for valuation of assets and liabilities
  for the purposes of calculating the insurer's regulatory capital and amending the
  Regulation on establishing requirements for ensuring the insurer's solvency and
  investment activities (Resolution of the Board of the National Bank of Ukraine No. 71
  of June 21, 2024);
- Regulation on the procedure for preparing and updating the business continuity plan, business recovery plan and financing plan of the insurer (Resolution of the Board of the National Bank of Ukraine No. 74 of June 21, 2024);
- New version of the Regulation on establishing criteria for determining the risk profile of financial service providers, their social importance, on the basis of which supervisory actions of the National Bank of Ukraine are defined (Resolution of the Board of the National Bank of Ukraine No. 141 of November 29, 2024);
- Regulation on the functioning of the Unified Centralized Database on Mandatory Insurance of Civil Liability of Owners of Land Vehicles (Resolution of the Board of the National Bank of Ukraine No. 165 of December 26, 2024);
- Regulation on disclosure of information about an insurance intermediary and the
  procedure for selling an insurance product as an additional product to other noninsurance goods, works or services to the consumer (Resolution of the Board of the
  National Bank of Ukraine No. 173 of December 26, 2024);
- Regulation on the requirements to the corporate governance system and internal control system of a financial company (Resolution of the Board of the National Bank of Ukraine No. 185 of December 27, 2024);
- Regulation on supervision of the Motor (Transport) Insurance Bureau of Ukraine (Resolution of the Board of the National Bank of Ukraine No. 194 of December 31, 2024).



Considering the entry into force on January 01, 2025 of new requirements for the sale of insurance and reinsurance products and the activities of insurance intermediaries based on the requirements of Directive 2016/97/EC and defined in Section XII of the Law of Ukraine "On insurance", and the introduction of a new model of regulation and supervision of insurance intermediaries, the National Bank of Ukraine developed the Regulation on the authorization of insurance intermediaries and the conditions for the sale of insurance and/or reinsurance products (approved by Resolution of the Board of the National Bank of Ukraine No. 2 of January 3, 2025).

In 2024, the NBU also addressed the issue of supervision of non-bank financial groups on a consolidated basis. Amendments to the Regulation on the procedure for supervising non-bank financial groups on a consolidated basis, approved by Resolution of the Board of the National Bank of Ukraine No. 175 of December 27, 2024 were developed, and approved by Resolution of the Board of the National Bank of Ukraine No. 202 of December 29, 2023 (as amended), in accordance with Directive 2002/87/EC (as amended) and Directive 2009/138/EC (Solvency II).

#### PAYMENT SERVICES

During 2024, the National Bank of Ukraine worked on drafting regulations in accordance with the provisions of the Law of Ukraine No. 1591-IX of June 30, 2021 "On payment services" (hereinafter referred to as the "Payment services law"), which reflects the main provisions of Directive (EU) 2015/2366. In particular, these include the Regulation on authorization of non-financial payment service providers, the Regulation on open banking in Ukraine, the Regulation on the use of electronic trust services when payment service providers gain access to accounts of payment service users, the Regulation on the procedure for insuring the liability of non-financial payment service providers to users and providers of payment services for account maintenance.

In 2024, the NBU also updated its regulations in accordance with the provisions of the Payment services law. In particular, Resolution No. 183 of December 27, 2024 of the Board of the National Bank of Ukraine, amending the Regulation on engaging commercial agents to provide financial payment services and the Regulation on registration of payment systems, payment system participants and payment service technology operators was approved.

In addition, a new version of the electronic payment system (hereinafter - EPS) with the functionality of instant credit transfers (hereinafter - EPS instant transfers) was launched on December 1, 2024. Such payment transaction is stipulated by the amendments to the Law on payment services, which entered into force on November 08, 2024. Instant EPS transfer provides almost instantaneous transfer of funds from the payer's account to the recipient's account. It takes no more than 10 seconds. The maximum amount of one EPS instant transfer payment transaction is set at UAH 100 thousand, which is the optimal solution for most payments that meet the daily needs of businesses and individuals.

# COMBATING MONEY LAUNDERING (LEGALIZATION) OF PROCEEDS OF CRIME

On August 29, 2024, the Verkhovna Rada Committee on Finance, Taxation and Customs Policy decided to recommend to the Verkhovna Rada of Ukraine to adopt as a



basis the draft law "On amendments to certain laws of Ukraine on the approximation of Ukrainian legislation to certain standards of the Financial Action Task Force on Money Laundering (FATF)" (reg. No. 10072 of September 19, 2023).

In 2024, the aforementioned draft law was developed by an expert group under the Interagency Working Group on the Implementation of the State Sanctions Policy, which includes representatives of the National Bank of Ukraine. It is planned that the proposals developed by this expert group will be taken into account when preparing the draft law for the second reading.

In order to bring the regulations of the National Bank of Ukraine in line with the Law of Ukraine No. 2571-IX of September 06, 2022 "On amendments to certain laws of Ukraine on improving the regulation of ultimate beneficial ownership and ownership structure of legal entities" and in connection with the entry into force on September 1, 2024 of the Procedure for notifying the holder of the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Organizations of discrepancies between the information received by the subject of primary financial monitoring as a result of due diligence and the information on the ultimate beneficial owners and/or ownership structure of a legal entity placed in the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Organizations, approved by the order of the Ministry of Justice of July 12, 2023 No.2542/5, the amendments were introduced to:

- Regulation on financial monitoring by banks, approved by Resolution of the Board
  of the National Bank of Ukraine No. 65 of May 19, 2020 (Resolution of the Board
  of the National Bank of Ukraine No. 121 of October 05, 2024 "On approval of
  amendments to certain regulatory legal acts of the National Bank of Ukraine on
  financial monitoring");
- Regulation on Financial monitoring by institutions, approved by Resolution of the Board of the National Bank of Ukraine No. 107 of July 28, 2020 (Resolution of the Board of the National Bank of Ukraine No. 121 of October 05, 2024 "On approval of amendments to certain regulatory legal acts of the National Bank of Ukraine on financial monitoring").

## PROTECTION OF THE RIGHTS OF FINANCIAL SERVICES CONSUMERS

The National Bank of Ukraine has updated the procedure of oversight of compliance with the legislation of Ukraine on the protection of rights of financial and payment services consumers by approving amendments to the Regulation on oversight of compliance with the legislation on the protection of rights of financial and payment services consumers (Resolution of the Board of the National Bank of Ukraine No. 95 of August 03, 2024), aimed at creating a transparent and fair ecosystem of financial, support, payment and limited payment services by strengthening consumer protection, introducing a clear procedure for desk audits to identify violations by providers of such services, and applying professional judgment in supervising compliance with Ukrainian consumer protection legislation. Oversight by the National Bank of Ukraine over compliance by the supervised entities with the legislation of Ukraine on protection of consumers of financial and limited payment services, requirements for interaction with consumers in the settlement of overdue debts has also been improved in terms of bringing it in line with the Law of Ukraine No. 2073-IX of February 17, 2022 "On administrative procedure" (Resolution of the Board of the National Bank of Ukraine



No. 143 of December 4, 2024), which was adopted, among other things, to implement regulations adopted by the Council of Europe member states governing administrative procedures (Council of Europe Recommendation No. R (80) 2 on the exercise of discretionary powers by administrative authorities, Council of Europe Recommendation No. R (87) 16 on administrative procedures affecting a large number of persons, and others).

An important step in the digitalization of financial services was the introduction at the end of 2024 of a new procedure for concluding electronic contracts for compulsory civil liability insurance for owners of land vehicles, which strengthened the security and transparency of financial transactions. Regulatory changes adopted by the Resolution of the Board of the National Bank of Ukraine No. 144 of December 4, 2024 are aimed at ensuring maximum legal clarity and protection of the rights of the parties when concluding electronic contracts of compulsory insurance of civil liability of owners of land vehicles. The new rules will come into force on July 1, 2025, which provides market participants with sufficient time to adapt to the updated requirements. In the abovementioned regulatory act, the National Bank of Ukraine took into account the provisions of Article 25 of Regulation (EU) No. 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC in terms of the proper signing electronic contracts of compulsory insurance of civil liability of owners of land vehicles concluded in the form of an electronic document.

In addition, the requirements for disclosure of information about the insurance intermediary to the consumer and the requirements for the procedure of selling an insurance product as an additional product to other goods, works or services that are not insurance were approved (Resolution of the Board of the National Bank of Ukraine No. 173 of December 26, 2024). In particular, the regulation defines the list of information that an insurance intermediary is obliged to provide to a consumer regarding its activities prior to concluding an insurance contract, and, in order to prevent the imposition of an insurance contract, sets out restrictions on the sale of insurance products that are additional to other goods, works, and services. By the above act, the National Bank of Ukraine also updated the requirements for disclosure of information and placement of an information document about a standard insurance product on the websites of insurers and insurance intermediaries. In particular, the regulation clarifies the requirements for disclosure of information about an insurance product that is not a standard one, the requirements for disclosure of information about a standard insurance product by an insurance intermediary that does not have its own website, and also defines the list of information about the insurance product of compulsory insurance of civil liability of owners of land vehicles, which must be provided to the consumer before concluding the contract.

In order to improve state regulation and functioning of credit history bureaus in terms of proper observance of the rights of credit history subjects, the National Bank of Ukraine initiated and sent to the subject of legislative initiative the relevant draft law - "On credit history", which was registered on November 28, 2024 under No. 12260 and sent for public discussion. The amendments proposed by the draft law to the Law of Ukraine "On the formation and circulation of credit histories" and other laws of Ukraine will strengthen the capacity of the National Bank of Ukraine to supervise the activities of credit bureaus.



#### ACTIVITIES OF THE DEPOSIT GUARANTEE FUND

During the period of martial law and taking into account the Law of Ukraine "On sanctions", the Deposit Guarantee Fund (hereinafter referred to as the Fund) adopted a number of decisions of the Executive Directorate of the Fund relating to the scope of Directives 2001/24/EC, 2014/49/EC and 2014/59/EC, namely:

- "On approval of amendments to the Regulation on the procedure for compiling and maintaining a register of accepted creditors' claims and satisfaction of creditors' claims of banks undergoing liquidation" No. 210 of February 19, 2024;
- "On approval of amendments to the Regulation on the withdrawal of an insolvent bank from the market and the Regulation on the procedure for compiling and maintaining a register of accepted creditors' claims and satisfaction of creditors' claims of banks undergoing liquidation" No. 331 of March 14, 2024;
- "On amendments to the Regulation on the organization of the sale of assets (property) of banks in liquidation" No. 777 of July 18, 2024;
- "On amendments to the Regulation on lease of real estate of a bank, the liquidation procedure of which is carried out by the Deposit Guarantee Fund, through open bidding (auctions)" No. 796 of July 22, 2024";
- "On approval of amendments to the Regulation on the procedure for reimbursement of funds on deposits by the Deposit Guarantee Fund and repealing the decision of the Executive Directorate of the Deposit Guarantee Fund of March 24, 2022 No. 201" of August 1, 2024 No. 831;
- "On approval of amendments to the Regulation on the withdrawal of an insolvent bank from the market and the Regulation on the procedure for compiling and maintaining a register of accepted creditors' claims and satisfaction of creditors' claims of banks undergoing liquidation" No. 880 of August 15, 2024;
- "On certain specifics of liquidation of banks in accordance with the Law of Ukraine 'On the Deposit Guarantee System' of July 18, 2024 No. 774" regarding the sale ("disposal") of their property (assets) under martial law, introduced by the Decree of the President of Ukraine No. 64/2022 of February 24, 2024 "On the introduction of martial law in Ukraine";
- "On approval of amendments to the Regulation on the withdrawal of an insolvent bank from the market" No. 1269 of December 05, 2024.

The aforementioned decisions in particular:

- improved the procedure for compiling and maintaining a register of accepted creditors' claims and satisfaction of creditors' claims of banks undergoing liquidation;
- improved the mechanism of settlements with creditors;
- changed the start of satisfaction of creditors' claims in each of the queues;
- provided for the procedure of compulsory alienation of banks' property in accordance with the procedure established by the Law of Ukraine "On transfer, compulsory alienation or seizure of property under the legal regime of martial law or state of emergency";



- improved the procedure of transferring the property of a bank undergoing liquidation by the DGF (in particular, real estate, vehicles and equipment, etc.) for free use by the Ministry of Defense of Ukraine, the Armed Forces of Ukraine, the Security Service of Ukraine, the National Guard of Ukraine, other military formations and law enforcement agencies established in accordance with the laws of Ukraine, military administrations and local governments;
- defined the peculiarities of the Fund's management of the bank's property (assets in the form of property rights under loan agreements concluded with individuals who are military personnel;
- implement the procedure for preparing for the withdrawal of an insolvent bank from the market:
- defined the criteria for the implementation of early response measures by the Fund; determined areas for their implementation.

In order to protect the rights of depositors, in 2024, the DGF remotely monitored banks to ensure their compliance with the requirements of the Instruction on the Procedure for the protection of the rights and legally protected interests of depositors by the Deposit Guarantee Fund, approved by the Executive Directorate of the DGF on May 26, 2016 No. 825.

In the first half of 2024: 62 DGF member banks were inspected; the total number of violations amounted to 13%; 9 protocols on violations related to the deposit guarantee were prepared. Based on the results of reviewing cases of violations related to the deposit guarantees, the DGF prepared 5 warnings to take measures to prevent violations (violations were remedied as of the date of the case consideration) and 4 orders to eliminate violations.

For the second half of 2024: 61 member banks of the Fund were inspected; no violations were detected.

## CAPITAL MARKET

In the financial services sector, in 2024, at the initiative of the National Securities and Stock Market Commission (hereinafter referred to as the NSSMC), a number of draft laws were developed, revised by experts and submitted to the Verkhovna Rada of Ukraine for consideration to bring Ukraine's financial legislation in line with the EU legislation. Subsequently they were adopted as laws of Ukraine.

On February 22, 2024, the Verkhovna Rada of Ukraine adopted the Law of Ukraine No. 3585-IX "On amendments to the Law of Ukraine 'On state regulation of capital markets and organized commodity markets' and some other legislative acts of Ukraine on regulation and supervision of capital markets and organized commodity markets" (hereinafter - Law No. 3585-IX), which was signed by the President of Ukraine on March 22, 2024 and partially entered into force on April 27, 2024.

In pursuance of the provisions of the Law No. 3585-IX and the measures set out in the Association Agreement, the NSSMC adopted in 2024:



- Decision No. 17/21/1458/K03 of November 22, 2024 "On approval of the Procedure for functioning of the integrated information and communication system of the National Securities and Stock Market Commission", registered with the Ministry of Justice of Ukraine on December 6, 2024 under No. 1869/43214 (hereinafter the Procedure, Decision No. 1458). The Procedure stipulates that the functions of the integrated information and communication system of the NSSMC include, in particular, ensuring the functioning of secure communication channels for participants in capital markets and organized commodity markets to report potential or actual violations of relevant legislation;
- Decision No. 640 of May 22, 2024 "On the use of the integrated information system of the National Securities and Stock Market Commission (IIS) as an official communication channel". Decision No. 1458 regulates, in particular, the functioning of the official website of the NSSMC as a subsystem of the IIS.

In addition to the above, the work on reforming the regulatory environment of the capital markets resulted in the development by the NSSMC and adoption by the Verkhovna Rada of Ukraine of the Law of Ukraine No. 3981-IX of September 19, 2024 "On rating" (hereinafter - Law No. 3981-IX), which provides for the establishment of the legal framework for establishing ratings and their use, bringing the activities of rating agencies in Ukraine in line with the provisions of the EU Regulation No. 1060/2009 of 16 September 2009 on credit rating agencies. On October 17, 2024, Law No. 3981-IX was signed by the President of Ukraine. Law No. 3981-IX will enter into force on January 01, 2026.

This Law is an important step towards the integration of Ukraine's capital markets with the European ones, as it unifies the rating systems of Ukraine and the EU.

In 2024, the NSSMC was developing amendments to Ukrainian legislation on collective investment in order to bring it in line with the requirements of the EU acts, including the EU Directive No. 2009/65/EC of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and other EU acts, regulating the activities of investment funds, in particular, Directive 2011/61/EU of June 08, 2011on Alternative Investment Fund Managers (AIFMs) and the relevant implementing acts - EU Regulations No. 345/2013 of April 17, 2013 on European venture capital funds (VCFs), No. 346/2013 of April 17, 2013 on European social entrepreneurship funds, No. 2015/760 of April 29, 2015 on European long-term investment funds and others.

This work resulted in the drafting by NSSMC the Law of Ukraine "On investment funds", which was presented to market participants and other stakeholders. After receiving feedback and comments and agreeing on positions, the draft law will be submitted to the Verkhovna Rada of Ukraine.

In addition to the above, the NSSMC adopted Decision No. 208 of February 21, 2024 "On approval of the licensing conditions for professional activities in the capital markets - activities in financial instruments trading", registered with the Ministry of Justice of Ukraine on March 11, 2024 under No. 349/41694.

The relevant act establishes the requirements mandatory for obtaining a license to conduct professional activities in the capital markets - financial instruments trading, the specifics of combining types of financial instruments trading activities with each other and



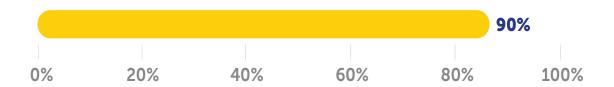
with other types of activities, including professional activities in the capital markets and organized commodity markets, and in the course of conducting professional activities in financial instruments trading.

In 2024, banks continued to operate subject to the restrictions set forth in the Resolution of the Board of the National Bank of Ukraine No. 18 of February 24, 2022 "On the operation of the banking system during martial law" (as amended).

The National Bank of Ukraine continued to implement the measures of Phase I and Phase II of the Roadmap for the gradual easing of currency restrictions, in pursuance of which a number of currency restrictions were optimized by amending Resolution No. 18, in particular by the following resolutions of the Board of the National Bank of Ukraine: No. 17 of February 05, 2024; No. 22 of February 16, 2024; No. 24 of February 20, 2024; No. 46 of April 19, 2024; No. 56 of May 03, 2024 (the largest currency liberalization package since the beginning of the war was adopted); No. 72 of June 21, 2024; No. 83 of July 09, 2024; No. 108 of September 06, 2024; No. 136 of November 19, 2024; No. 155 of December 20, 2024.



#### **PUBLIC FINANCE MANAGEMENT**



Ukraine's obligations in the area of public finance management fall within the scope of legal relations covered by Chapter 3 "Public Finance Management: Budget Policy, Internal Control and External Audit" of Title V "Economic and Sectoral Cooperation" of the Association Agreement.

In 2024, a number of systemic changes were implemented in public finance management and significant progress was made in reforms. In particular:

- restoration of medium-term budget planning: Budget Declaration for 2025-2027 was approved (Resolution of the Cabinet of Ministers of Ukraine No. 751 of June 28, 2024) and the Law of Ukraine No. 979-IX of July 18, 2024 on the restoration of medium-term budget planning at the local level was adopted;
- state budget expenditures were reviewed, in particular through the adoption of the Order of the Cabinet of Ministers of Ukraine No. 348-r of April 23, 2024;
- a number of resolutions of the Cabinet of Ministers of Ukraine were approved to ensure effective management of public resources, in particular:
  - Resolution No. 984 of August 27, 2024 "On adoption of the Procedure for annual approval of proposals for certain financial indicators, as well as the amount of payments to the state, budget financing and quasi-fiscal operations to be included in the owner's expectations letter, as well as financial plans, strategic development plans and medium term investment plans of public sector entities";
  - Resolution No. 1452 of December 20, 2024 "On adopting the Procedure for approving proposals for maximum thresholds for capital investments";
- management responsibility and accountability of the heads of key spending units has been strengthened;
- public sector accounting standards were improved based on international standards, as evidenced by the high grade of "B+" according to the World Bank's PULSE methodology.

## STATE INTERNAL FINANCIAL CONTROL

In 2024, the NBU continued to implement measures to develop state internal financial control (hereinafter referred to as SIFC), which is an integral part of the public finance management reform. In particular:

• improvement of the regulatory and methodological support for internal control



and internal audit: amendments were made to the Basic Principles of Internal Control by Budget Holders (Resolution of the Cabinet of Ministers of Ukraine No. 677 of June 13, 2024), which provide for strengthening management responsibility and accountability, improving approaches to delegation of authority, focusing management measures on efficiency and effectiveness, and introducing a declaration of the head of internal control from 2026:

- updating the procedure for certification of internal audit employees: the procedure for certification of employees of internal audit units (Order of the Ministry of Finance No. 383 of August 1, 2024) and the methodological manual "Risk-based planning of internal audit activities" were updated;
- national certification of internal auditors: practical implementation of the national certification of internal auditors of state bodies was ensured. During the year, 12 qualification exams were organized and held, and 33 internal auditors successfully passed the exams;
- training on internal control and audit: 20 training events were held for government employees, which contributed to raising awareness and professional training in these areas;
- assessment of the state of functioning of internal control and internal audit systems:
   a report on the status of the SIFC development for 2023 with recommendations
   for improvement, implemented through the relevant order, was prepared and
   submitted to the Government;
- external assessments of the quality of internal audit: 4 external assessments of the quality of internal audit were completed with recommendations for improving the internal audit systems of public authorities;
- Automation of SIFC processes: technical requirements for an IT solution for the SIFC portal were developed. Together with the EU4PFM project experts, a draft detailed description of functional requirements for the modules of the SIFC portal was prepared;
- Enhancing institutional capacity: The Central harmonization unit enhanced its capacity by participating in training events organized by EU4PFM projects, the National Academy of Finance and Economics of the Dutch Ministry of Finance, Expertise France, PEM PAL, SOERA, IA and the OECD.

For the implementation of these measures, the Ministry of Finance continues to cooperate with the following technical support projects:

- National Academy of Finance and Economics of the Ministry of Finance of the Kingdom of the Netherlands;
- EU4PFM Public Finance Management Program in Ukraine;
- Project "Public Expenditures for Administrative Capacity Endurance" (PEACE) commissioned by the United States Agency for International Development (USAID);
- International technical assistance project SOERA.



## **EXTERNAL AUDIT**

In 2024, the Accounting Chamber pursuant to the provisions of Articles 346 and 367 of the Association Agreement continued to develop external audit (based on international standards and in line with the fundamental principles of accountability, transparency, economy, efficiency and effectiveness), to cooperate with the EU programs and institutions to implement the standards and methodologies of the International Organization of Supreme Audit Institutions (hereinafter referred to as INTOSAI), as well as to share the EU best practices on external control and audit.

An important step in the implementation of INTOSAI was the adoption of the Law of Ukraine No. 4042-IX of October 30, 2024 "On amendments to the Law of Ukraine 'On the Accounting Chamber' and some other legislative acts of Ukraine".<sup>1</sup>

The amendments introduced by this Law, first of all, establishes that the Accounting Chamber is the supreme state collegial body of financial control (audit) and applies in its activities basic principles of the International Organization of Supreme Audit Institutions (INTOSAI) and the INTOSAI Framework of Professional Pronouncements (IFPP), supplements the Law of Ukraine "On Accounting Chamber" with the provision on political independence of the institution, and strengthens the organizational, functional and financial independence of the Accounting Chamber.

The powers of the Accounting Chamber are extended to the state and local budgets, funds of compulsory state social and pension insurance, activities of business entities of the public and municipal sectors of the economy. The Accounting Chamber exercises its powers through performance (efficiency) audit, compliance audit, financial audit (including consolidated financial statements of public sector entities and budgets), examination, analysis and other control measures in accordance with the Law of Ukraine "On Accounting Chamber".

In 2024, 5 financial audits, 14 compliance audits, and 19 performance audits were conducted in accordance with methodologies based on the International Standards of Supreme Audit Institutions (ISSAI 100, 200, 300, 400).

The Law of Ukraine "On Accounting Chamber" establishes the right of the Accounting Chamber to plan its activities independently (without any interference), select topics and objects of audits. The work plan of the Accounting Chamber for 2025 is formed using a risk-oriented approach to determining the topics of state external financial control (audit) based on the sectoral analysis of areas (industries).

The Accounting Chamber has started implementing the quality management system in accordance with ISSAI 140 and the Guidelines for the Quality Management System in the Accounting Chamber. In 2024, the Commissioner for Quality was elected, the Expert Group for Quality Assurance of Completed State External Financial Control (Audit) Measures was established, the Procedure for Involvement of the Accounting Chamber Employees in the Quality Assurance of Audit (hot review) and the Procedure for Quality Assurance of Completed State External Financial Control (Audit) Measures (cold review) were approved, the quality of the completed state external financial control (audit) measures was checked, and the Report on the status of the quality management system in the Accounting Chamber was prepared and approved.

In addition, in order to share the best practices of the European Union in external

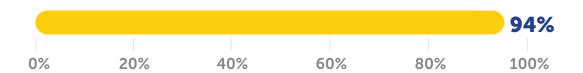


<sup>&</sup>lt;sup>1</sup> entered into force on January 01, 2025

control and audit of public finances, as well as to integrate the Accounting Chamber into the European audit community, the institution joined as an observer the activities of the EU interagency association - the Contact Committee of Supreme Audit Institutions of the EU Member States and participated in the events of the Network of Supreme Audit Institutions of the EU candidate and potential candidate countries in 2024.



# **HUMANITARIAN POLICY**



In 2024, Ukrainian culture was represented at key cultural events abroad. In particular:

- Ukraine's national pavilion worked at the 60th Venice Biennale of Contemporary Art, presenting the art project "Weaving Nets";
- exhibition "Crossroads: Sweden Ukraine (1000 years)" at the Swedish Army Museum in Stockholm;
- "Kievan Rus" exhibition at the Lithuanian National Museum;
- Maria Prymachenko's exhibitions at the Vytautas Kasiulis National Art Museum in Lithuania:
- the exhibition "Cabinet of European Art. Masterpieces from Bohdan and Varvara Khanenko of the National Art Museum of Ukraine" at the Royal Castle Museum in Warsaw (Poland).

Ukraine also participated in the UNESCO World Conference on Cultural and Arts Education (online) and, despite the conditions of martial law, as every year, organized a series of events within the framework of the European Heritage Days, which took place from September 7 to October 15, 2024 in Ukraine.

In cooperation with UNESCO and the Republic of Lithuania, an international conference "Towards the recovery of the cultural sector of Ukraine" was held in Vilnius on June 6-7, 2024, initiated by President of Ukraine Volodymyr Zelenskyy during a meeting with UNESCO Director-General Audrey Azoulay. As a result of the event, 30 countries joined the Vilnius Call for Action on the Recovery of the Cultural Sector of Ukraine.

On December 11, 2024, the Agreement between Ukraine and the European Union amending the Agreement between Ukraine and the European Union on Ukraine's participation in the Creative Europe Program (2021-2027) was signed in Brussels. The amendments enable Ukraine to participate fully in this Program, including all activities of the Media stream.

Ukraine's full participation in the Program will be an important factor in the development of a more dynamic and capable national cultural sector and creative industries, contributing to the expansion of cooperation networks between professionals, promoting European values and the European "agenda" in Ukrainian society and strengthening cultural ties with the European Union.

In 2023, Ukraine launched the State Register of Intangible Cultural Heritage Objects of Ukraine, an information and communication system for the registration of immovable cultural heritage objects, which contains a list of cultural heritage objects under state protection.



139 users of authorized bodies for the protection of cultural heritage from all regions of Ukraine and the city of Kyiv are connected to the Register.

The total number of registered objects of cultural heritage of Ukraine is 144,643 objects.

For the first time since Ukraine ratified the Convention for the Safeguarding of the Intangible Cultural Heritage, Ukraine was elected to the Intergovernmental Committee for Safeguarding of the Intangible Cultural Heritage.

By the decision of the 19th session of the Intergovernmental Committee for Safeguarding of the Intangible Cultural Heritage, held in December 2024 in Asunción (Republic of Paraguay), 2 Ukrainian elements were included in the UNESCO International Lists: Easter eggs - in the Representative List of the Intangible Cultural Heritage of Humanity; the program for the protection of kobzar and lirnytsia tradition - in the UNESCO Register of Good Practices for Safeguarding of the Intangible Cultural Heritage.

In total, 15 elements were included in the National List of Elements of the Intangible Cultural Heritage of Ukraine for 2024.

The data was reviewed and updated to clarify the boundaries of Ukrainian cultural property included in the UNESCO International List of Cultural Property under Enhanced Protection. Two new Ukrainian sites were included in the International List of Cultural Property under Enhanced Protection: Babyn Yar National Historical and Memorial Reserve and Odesa Literary Museum.

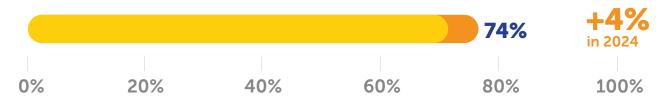
UNESCO has supported the initiative of the Ministry of Culture and Strategic Communications (MCSC) to conduct an ad hoc monitoring mission at the State Industrial Complex in Kharkiv. Ukraine will become the first country to apply the ad hoc monitoring mechanism - a special inspection conducted in response to specific challenges or threats to a cultural heritage site.

274 archaeological items illegally exported from Ukraine were returned to Ukraine from the Republic of Estonia. 8 archaeological objects were returned from the Kingdom of the Netherlands, and 4 medieval sabres were returned from the United States.

Amendments were made to the Procedure for Concluding Protection Agreements, which resolved problematic issues and transferred the procedure for concluding protection agreements to an electronic format; amendments were made to the Procedure for Registering Cultural Heritage Objects, which allowed for changes in legislation and optimized the process of registering intangible cultural heritage objects.



# **AGRICULTURE**



Ukraine's obligations in agriculture are provided for in Article 403 of Chapter 17 "Agriculture and Rural Development" of the Association Agreement.

In 2024, in pursuance of the Association Agreement and in order to approximate national legislation to the EU acquis, Ukraine adopted the following laws:

- "On grapes, wine and viticulture products" No. 3928-IX of August 22, 2024, which aims to bring the provisions of sectoral legislation in line with the requirements of international rules for the production of viticulture and winemaking products and implement the provisions of Regulations (EU) No. 1308/2013, No. 251/2014, No. 2019/33, No. 2018/274, No. 2021/2117 and No. 2018/273, and also provides for the creation of a unified state information system "Viticulture and Winemaking Register", which will include information on: grape producers; producers of wine products; vineyards; mandatory declarations and other data on wine products provided for by this Law. The entry of information into the said system is mandatory, which will ensure effective administration of and state support for the viticulture and winemaking industry. The Law will enter into force on January 01, 2026.
- "On the information and communication system 'State Agrarian Register' of September 19, 2024 No. 3980-IX. The Law entered into force on January 18, 2025. It implements the provisions on the functioning of the Integrated Administration and Control System (IACS) stipulated by the Regulation (EU) 2021/2116, which is used to provide assistance under the Common Agricultural Policy. At the same time, the final and transitional provisions of the Law stipulate that within one year from the date following the date of publication of this Law, the Cabinet of Ministers of Ukraine should develop a concept for the introduction of a land plot identification system (LPIS), taking into account the provisions of the European Union legislation, which is a part of the IACS.

It is worth noting that the draft Law of Ukraine "On hops and hop products" (reg. No. 9234-d of February 09, 2024) was adopted in the first reading, which aims to regulate issues related to hop production and hop products, to bring them in line with the EU standards on the basic principles and requirements for the cultivation, production, processing, labelling, certification of hops and hop products, as well as the legal framework for central executive bodies, business entities and the procedure for state control in this area, taking into account the requirements of Commission Regulation (EC) No. 1850/2006 of December 14, 2006 laying down detailed rules for the certification of hops and hop products, Commission Regulation (EC) No. 1295/2008 of December 18, 2008 on the importation of hops from third countries and Council Regulation (EU) No. 1308/2013 of December 17, 2013 establishing a common organisation of the markets in agricultural products.

In order to create a comprehensive and complete regulation, taking into account the relevant provisions of the EU law, the Cabinet of Ministers of Ukraine adopted resolutions:



- 1) "On approval of the Procedure for issuing a permit for the circulation of vegetable varieties in Ukraine before making a decision on state registration on the basis of the received approval" No. 200 of February 23, 2024;
- 2) "Some issues of creation and operation of the electronic system of registers in the field of crop production 'e-plant production' No. 1309 of November 15, 2024".

In addition, the following orders of the Ministry of Agrarian Policy and Food of Ukraine were approved:

- 1) "On approval of the forms and frequency of reporting on the circulation of vegetable varieties in Ukraine before making a decision on state registration on the basis of approval" of March 06, 2024 No. 696, registered with the Ministry of Justice of Ukraine on April 16, 2024 under No. 546/41891;
- 2) "On approval of the requirements for labelling and packaging of seeds and planting material" No. 1050 of April 02, 2024, which approved the Requirements for labelling and packaging of seeds, registered with the Ministry of Justice of Ukraine on May 09, 2024 under No. 673/42018 and the Requirements for labelling and packaging of planting material, registered with the Ministry of Justice of Ukraine on May 09, 2024 under No. 674/42019;
- 3) "On approval of the Procedure for extending the term of validity of intellectual property rights to a plant variety and amendments to the Order of the Ministry of Agrarian Policy and Food of Ukraine of August 31, 2023 No. 1609" No. 2821 of August 22, 2024, registered with the Ministry of Justice of Ukraine on October 1, 2024 under No. 1471/42816, No. 1472/42817;
- 4) "On approval of the Requirements for the classification of cattle, pigs and sheep carcasses" of December 12, 2024 No. 4296, registered with the Ministry of Justice of Ukraine on December 27, 2024 under No. 2020/43365;
- 5) "On approval of the Procedure for establishing the preservation of plant variety characteristics" of December 11, 2024 No. 4290, registered with the Ministry of Justice of Ukraine on January 23, 2025 under No. 122/43528;
- 6) "On approval of the Requirements for fruit jams, jellies, marmalades and sweetened chestnut puree" of February 14, 2024 No. 391, registered with the Ministry of Justice of Ukraine on February 29, 2024 under No. 304/41649;
- 7) "On approval of the Action Plan for the introduction of a system of information and methodological support for the organization of agricultural advisory activities" of March 28, 2024 No. 989, which, among other things, includes measures related to the launch and implementation of the agricultural knowledge and innovation system (AKIS), in particular, the preparation of a roadmap and possible models of the system with further implementation at the level of pilot oblasts.

Also, the Cabinet of Ministers of Ukraine approved the Resolution "On approval of the Strategy of Agriculture and Rural Development of Ukraine until 2030 and approval of the action plan for its implementation in 2025-2027" No. 1163-r of November 15, 2024 (hereinafter - the Strategy).

The Strategy is developed taking into account the need for changes in the implementation of state agricultural policy, in particular related to Ukraine's EU candidate status and other international obligations, and defines the main priority goals that will contribute to the achievement of the overall goals in the economic, environmental and



social spheres in accordance with Ukraine Plan.

# FISHERIES POLICY AND MARITIME POLICY

Ukraine's obligations in fisheries policy are envisaged by Article 407 of Chapter 18 "Fisheries Policy and Maritime Policy" of the Association Agreement.

In 2024, in pursuance of the Association Agreement and in order to approximate national legislation to the EU acquis, Ukraine adopted the following regulations:

The Law of Ukraine "On Ukraine's accession to the Agreement on port state measures to prevent, deter and eliminate illegal, unreported and unregulated fishing" of November 21, 2024 No. 4097-IX, which will facilitate Ukraine's integration into the global system of deterrence and elimination of illegal, unreported and unregulated fishing, harmonization of port state measures, and strengthening of international cooperation;

Resolutions of the Cabinet of Ministers of Ukraine:

- "On approval of the procedures for issuing, refusing to issue, reissuing, revoking certain permits in fisheries and repealing certain resolutions of the Cabinet of Ministers of Ukraine" No. 252 of March 05, 2024. This regulatory document improves the procedure for issuing permits in fisheries, as well as clarifies and introduces new permits in fisheries sector, in particular, those provided for by Council Regulation (EC) No. 1005/2008;
- "On approval of the Regulation on monitoring of fishing vessels and the procedure for the operation of the system of remote control of fishing vessels" No. 153of February 09, 2024, which is intended to ensure compliance with the requirements of international treaties of Ukraine in terms of fulfilling the duties of the Flag State, as well as compliance with the requirements of Regulations (EC) No. 1224/2009, 404/2011, 1005/2008 and 1010/2009. In addition, the remote control system will cover 100% of Ukraine's fishing fleet, including small-scale fishing vessels, which is in line with the latest changes in the EU fisheries control system. The updated system of remote control of fishing vessels will start functioning from the date of posting on the official website of the State Agency of Ukraine for Fisheries of the announcement of the launch of the component of the Unified State Electronic System for Fisheries Management the system of remote control of fishing vessels;
- "On amendments to the Resolution of the Cabinet of Ministers of Ukraine No. 1347 of December 22, 2023" No. 765 of June 28, 2024. The Resolution ensures digitalization of industrial fishing processes by launching new components of the Unified State Electronic Fisheries Management System: agreement for the right to special use of aquatic bio resources in fishery water bodies (their parts); permit for special use of aquatic bio resources in fishery water bodies (their parts) (for commercial fishing, research fishing); logbook of fishery activities; marking of fishing gear.

The Draft Law of Ukraine "On ensuring the traceability of aquatic bio resources and/ or products made from aquatic bio resources" (Reg. No. 9545 of July 31, 2023) was also adopted in the first reading, developed to implement the provisions of Articles 295, 407 and 410 of the Association Agreement and to ensure sustainable management of aquatic bio resources, prevent illegal, unaccountable and unregulated fishing, promote conservation, rational use, reproduction and protection of aquatic bio resources, as well as protect the rights and economic interests of business entities.



In addition, 4 European integration draft laws were developed, namely:

- the Draft Law of Ukraine "On amendments to certain legislative acts of Ukraine on the implementation of the EU legislation in fisheries" (reg. No. 12428 of January 20, 2025);
- Draft Law of Ukraine "On the collection and use of data on fisheries, its management and scientific activities in fisheries";
- Draft Law of Ukraine "On amendments to certain legislative acts of Ukraine regarding the implementation of the EU legislation and improvement of state regulation in fisheries";
- Draft Law of Ukraine "On acceptance by Ukraine of the agreement on foundation of the General Fisheries Commission for the Mediterranean".

These draft laws will provide a basis for full harmonization of national legislation with the requirements of Regulations (EU) of the European Parliament and of the Council No. 1380/2013, 1224/2009, 404/2011, 1005/2008, 1010/2009, 1379/2013, 2017/1004, 708/2007, 1185/2003, 2019/1241.



#### **CONSUMER RIGHTS PROTECTION**



Ukraine's obligation to ensure a high level of consumer protection and to achieve compatibility of the Ukrainian consumer protection system with similar systems of the EU Member States is provided for in Article 415 of Chapter 20 "Consumer Protection" Title V "Economic and Sectoral Cooperation" of the Association Agreement.

The Ministry of Economy of Ukraine continued to work on gaining access to the European rapid alert system for dangerous non-food products (Safety Gate). Ukraine's access to this system will facilitate the rapid implementation of measures aimed at preventing harm to consumers from dangerous products already on the market.

In accordance with the requirements of the legislation on state market surveillance, the safety of non-food products is currently monitored through the state market surveillance conducted by 10 central and their territorial market surveillance bodies (hereinafter referred to as the "MSBs") within their areas of responsibility, as well as through the state control conducted by the customs authorities in the customs territory of Ukraine.

In view of the above, as well as for the purpose of automated support of state market surveillance and state control of products, prompt exchange of messages between these bodies, the legislation of Ukraine provides for the creation and operation of market surveillance information systems (hereinafter referred to as the MS systems), which is entrusted to the Ministry of Economy of Ukraine.

As of today, the Ministry of Economy of Ukraine has ensured completion of all the necessary technical and technological works for the full functioning of the systems, in particular:

- out of 10 MSBs, all declared users authorized to perform functions of state market surveillance have been connected;
- conditions are being created for further compatibility of the unified automated information system of the customs authorities of Ukraine (hereinafter - UAIS) with market surveillance systems, which provides for further constant interaction with the MSBs, and, in the future, integration into the European rapid alert system for dangerous non-food products (Safety Gate);
- A public website (https://uvaga.gov.ua/) was created and operated to inform, warn and protect consumers, as well as to meet their informational needs about dangerous (non-food) products. For the same purpose, access to information on products that pose a serious risk contained in the European Safety Gate system was provided.

In pursuance of the Law of Ukraine No. 3153-IX of June 10, 2023 "On consumer protection", which comes into force one year after its publication, but not earlier than the



day of termination or abolition of martial law, and in order to implement the provisions of the EU acquis on consumer protection in 2024, the following were adopted:

- Resolution of the Cabinet of Ministers of Ukraine No. 1347 of November 26, 2024 "On approval of the Procedure for returning (replacing) unusable and dangerous food products" to establish a mechanism for interaction between a consumer and a business entity during the return (replacement) of unusable and dangerous food products. The provisions of the Resolution are in line with the provisions of Directive (EU) 2019/771 of the European Parliament and of the Council of 20 May 2019 on certain aspects concerning contracts for the sale of goods, amending Regulation (EU) 2017/2394 and Directive 2009/22/EC, and repealing Directive 1999/44/EC;
- Order of the Ministry of Economy of Ukraine No. 26021 of November 15, 2024 "On approval of standard application forms for registration of withdrawal from an agreement concluded outside of a commercial or office premises or a remote agreement and instructions on the procedure for withdrawal from an agreement concluded outside of a commercial or office premises or a remote agreement", registered with the Ministry of Justice of Ukraine on December 17, 2024 No. 1923/43268, in order to create conditions for withdrawal from an agreement concluded outside of a commercial or office premises or a remote agreement. The provisions of the Order comply with the provisions of Annex I to Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights, amending Council Directive 93/13/EEC and Directive 1999/44/EC of the European Parliament and of the Council and repealing Council Directive 85/577/EEC and Directive 97/7/EC of the European Parliament and of the Council.

In addition, in 2024, in order to bring national legislation in line with the legislation of the European Union, the following were developed:

- Draft Resolution of the Cabinet of Ministers of Ukraine "On approval of the Rules of trading services", which has been submitted to the Government for consideration. The draft resolution provides for the implementation of certain provisions of Regulation (EU) 2023/988 of the European Parliament and of the Council of May 10, 2023 on general product safety, amending Regulation (EU) No 1025/2012 of the European Parliament and of the Council and Directive (EU) 2020/1828 of the European Parliament and the Council, and repealing Directive 2001/95/EC of the European Parliament and of the Council and Council Directive 87/357/EEC in respect of goods that do not correspond to their physical appearance and pose a threat to the health and safety of consumers;
- the draft resolution of the Cabinet of Ministers of Ukraine "On approval of the Procedure for restricting and restoring access to the website of a business entity", which has been submitted to the Government for consideration. The draft resolution provides for the implementation of certain provisions of Regulation (EU) 2017/2394 of the European Parliament and of the Council of December 12, 2017 on cooperation between national authorities responsible for the enforcement of consumer protection laws and repealing Regulation (EC) No 2006/2004 on the powers of the competent authority to apply to the Internet service provider to

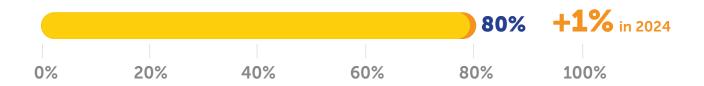


restrict access to websites;

- Draft resolution of the Cabinet of Ministers of Ukraine "On approval of the Procedure for assessing the use of unfair commercial practices by business entities", which is undergoing the procedure of approval by the interested authorities. The draft resolution provides for the implementation of certain provisions of Directive 2005/29/EC of the European Parliament and of the Council of May 11, 2005 concerning unfair business-to-consumer commercial practices in the internal market and amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council and Regulation (EC) No 2006/2004 of the European Parliament and of the Council;
- Draft Law of Ukraine "On out-of-court settlement of consumer disputes", which
  is undergoing the procedure of approval by the interested authorities. The Draft
  Law provides for the implementation of Directive 2013/11/EU of the European
  Parliament and of the Council of 21 May 2013 on alternative dispute resolution for
  consumer disputes and amending Regulation (EC) No 2006/2004 and Directive
  2009/22/EC;
- Draft Resolution of the Cabinet of Ministers of Ukraine "On amendments to the Resolution of the Cabinet of Ministers of Ukraine No. 1200 of November 11, 2009", which is undergoing the approval procedure. The draft resolution provides for the implementation of Directive 1999/94/EC of the European Parliament and of the Council of December 13, 1999 relating to the availability of consumer information on fuel economy and CO2 emissions in respect of the marketing of new passenger cars.



#### SOCIAL POLICY AND LABOR RELATIONS



# SOCIAL POLICY

Significant progress was made in the social sector in 2024. Important strategic documents were adopted that form a clear vision for the development of the social sphere and contain specific measures. These include:

- The Strategy of demographic development of Ukraine until 2040 and the Action Plan for its implementation in 2024-2027;
- The Strategy for ensuring the right of every child in Ukraine to grow up in a family environment until 2028 and the Action Plan for its implementation until 2026;
- The Strategy for reforming psychoneurological and other residential institutions and deinstitutionalization of care for persons with disabilities and the elderly until 2034 and the Action Plan for its implementation in 2025-2027.

The State Service of Ukraine for Children was established and its functions and powers were divided between it and the National Social Service of Ukraine (Resolution of the Cabinet of Ministers of Ukraine No. 898 of August 09, 2024).

The Verkhovna Rada of Ukraine adopted:

- Law of Ukraine "On amendments to certain laws of Ukraine regarding the settlement
  of the issue of calculation of insurance period and pension provision" of April 25,
  2024 No. 3674-IX, which, in particular, simplified the mechanism of receiving
  pensions for Ukrainians who moved from Crimea and the occupied territories of
  Donetsk and Luhansk oblasts, and also provides for the inclusion of insurance
  experience even from countries with which no agreement on pension provision
  has been concluded;
- Law of Ukraine "On amendments to certain laws of Ukraine on ensuring the rights
  of persons with disabilities to work" No. 4219-IX of January 15, 2025. The Law
  provides for the creation of favourable conditions for the employment of persons
  with disabilities.

The Verkhovna Rada of Ukraine adopted in the first reading the draft law "On the Unified Social Sphere Information System" (hereinafter - the USSIS) No. 11377 of June 24, 2024. The UISSS has now been put into full operation. The functionality of 10 types of assistance based on the USSIS has been implemented.

The concept of reforming the social insurance system ePotential was developed - the Verkhovna Rada of Ukraine adopted in the first reading the draft law "On amendments to certain legislative acts of Ukraine on formation of comprehensive and fair social support (benefits and services) for persons with limited ability to work, in particular persons with disabilities" No. 12209 of November 14, 2024.



Among the key achievements in the social sphere in 2024, which were realized for the first time:

- a number of social services and benefits were introduced and scaled up;
- the market for social services has been opened, and the public sector has been involved (competition has improved quality);
- due to the development of the USSIS, social services have been digitized the Social Web Portal of Electronic Services of the Ministry of Social Policy was launched and the recording of humanitarian aid was automated;
- adoption processes have been simplified so that families can be united faster;
- procurement of the best components for prosthetics was ensured;
- a method was developed to increase the pension by voluntary additional payments to the Pension Fund of Ukraine almost 4.5 thousand people took advantage of this opportunity for the amount of almost UAH 50 million.

Experimental projects related to the organization of social services for people in difficult life circumstances, support for the population under martial law, and stress resilience development were implemented:

- 1) a pilot project on the provision of a comprehensive social services to build resilience (Resolution of the Cabinet of Ministers of Ukraine No. 1049 of 03 October 2023). The Procedure for organizing the activities and ensuring the functioning of resilience centres was approved (Resolution of the Cabinet of Ministers of Ukraine No. 83 of January 23, 2024). Currently, 200 Resilience Centres have been opened in Ukraine;
- 2) a pilot project to provide a social service of social support for servicemen and their family members in military units (subdivisions) of the Armed Forces of Ukraine (hereinafter referred to as the social support service) (Resolution of the Cabinet of Ministers of Ukraine No. 1050 of October 03, 2023). More than 2,700 servicemen and their family members received social support services;
- a pilot project to provide certain social services to certain categories of people in difficult life circumstances in healthcare facilities managed by the Ministry of Social Policy (Resolution of the Cabinet of Ministers of Ukraine No. 248 of March 21, 2023). As of December 2024, 651 people received such social services;
- 4) a pilot project to organize the provision of social services to internally displaced elderly persons and persons with disabilities for inpatient care and supported living on the principle of "money follows the person" (Resolution of the Cabinet of Ministers of Ukraine No. 888 of August 06, 2024). So far, 60 agreements have been concluded to provide such services.

Stable assistance to the elderly is ensured:

- UAH 736.4 billion allocated to finance pensions, pensions for 10 million Ukrainians were indexed by 8%;
- pensions of "special" pensioners who are not combatants and did not defend the state from the armed aggression of the Russian Federation against Ukraine were limited;



- more than UAH 1.9 billion was paid to pensioners in the frontline areas (thanks to the support of the UN World Food Program);
- Pension reform has been initiated draft laws on the reform of the PAYG system and mandatory pension savings have already been reviewed by the relevant central authorities and are being prepared for submission to the Government of Ukraine.

A number of family support services and benefits have been implemented and scaled up:

- More than UAH 3.9 billion was provided for the Warm Winter program for low-income families with children, families of internally displaced persons with children, and people with disabilities from among the internally displaced persons.
- UAH 28.4 million was allocated for the "Child is not alone" payment in accordance with the Procedure for granting and paying temporary assistance to children who are found to be without parental care and who are temporarily placed with relatives, friends, foster families or family-type children's homes.
- 187 foster families were created in 2024.
- The procedure for the adoption of orphans and children deprived of parental care has been simplified.
- Housing was provided for 57 large foster families. This includes housing for families of internally displaced persons, families evacuated abroad who plan to return to Ukraine, and newly formed families.
- The mechanism for returning children evacuated abroad from institutional care facilities due to the war has been improved. The priority is to place children in families instead of institutions: families of adoptive parents, guardians, foster families, family-type children's homes.
- The state platform "Ukraine for Every Child" was launched and visited by 75 thousand people. A hotline and an online course on adoption are available.
- UAH 4.5 billion was financed for the procurement of solid fuel for the winter to help vulnerable people heat their homes - more than 467,000 households received such support.
- Almost UAH 0.5 billion allocated for children's health improvement and recreation.
- The municipal nanny service was scaled up to help not only families with parents with disabilities or children with disabilities, but also parents of internally displaced persons and families in areas where kindergartens do not operate; the amount of compensation was increased; 2,000 people applied for compensation.
- The baby box has been improved to include 50 high-quality and modern items for a new-born baby. More than 41 thousand families received the baby boxes, and 138 thousand families received compensation worth more than UAH 1 billion.
- The network of specialists providing early intervention services was expanded 35 new teams (150 specialists and professionals) from 11 oblasts were trained.



Targeting ensured support for internally displaced persons:

- UAH 38.5 billion in housing assistance for more than 1.2 million internally displaced persons;
- compensation to families for destroyed housing as a result of the armed aggression of the Russian Federation against Ukraine UAH 15 billion;
- a rental subsidy for internally displaced persons was introduced, which became effective in January 2025.

Progress in supporting persons with disabilities is also important:

- the procedure for obtaining highly functional prostheses was simplified, and the program of free prosthetics was expanded;
- high-quality components for prostheses were provided to the military personnel;
- UAH 19.3 billion was allocated for payments to persons with disabilities since childhood and children with disabilities since childhood:
- 416.6 thousand rehabilitation aids were procured for more than 108 thousand people (for a total of UAH 5 billion);
- the maximum cost of prostheses, in particular for the military, has been significantly increased;
- the need for rehabilitation of children with disabilities was fully met, about 12.5 thousand children with disabilities received rehabilitation.

An online platform about the state free prosthetics program is available at https://protez.msp.gov.ua/.

In gender equality for women and men and combating domestic violence in 2024:

- Model Regulations on the Centre for Assistance to Survivors were developed (Resolution of the Cabinet of Ministers of Ukraine No. 1321 of November 19, 2024);
- amendments were introduced to the Model program for survivors to take into account the needs of persons with hearing and visual impairments and persons with intellectual disabilities (Order of the Ministry of Social Policy of January 13, 2025 No. 9-N);
- the National Review "Beijing +30" was prepared and presented;
- targets and indicators of Goal 5 "Gender Equality" of the Sustainable Development Goals were updated to reflect the Gender Equality Index;
- periodic sociological research on the impact of security challenges on different groups of girls and boys, women and men (with the support of UN Women) was conducted, the results of which are used to inform policy-making;
- 125 thousand people who suffered from gender-based and domestic violence received help from specialized support services. Of these, 85% are women. There are more than 1,130 such services in Ukraine.



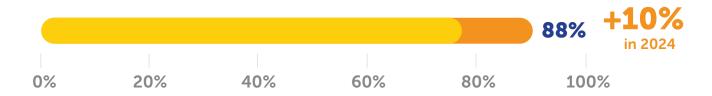
## LABOR RELATIONS

In 2024, a number of measures were taken to achieve the European integration goals under the Association Agreement. In particular, an important draft law was adopted, namely the Law of Ukraine No. 3677-IX of April 25, 2024 "On amendments to the Labour Code of Ukraine regarding labour relations in the course of business entity transfer". The said law implements Council Directive 2001/23/EC, as set out in Annex XL of the Association Agreement.

Work continues on the modernization of labour legislation in the context of drafting the Labour Code of Ukraine (hereinafter - the draft Code). A working group is currently working on the draft law with the involvement of all stakeholders in the process. The draft Code has been submitted for approval to the interested central executive bodies and social partners.



# **PUBLIC HEALTH**



In the context of a full-scale war, the state, in a difficult economic situation, has fully fulfilled its obligations to the healthcare industry and patients. Despite the challenges of the war, the healthcare system continues to transform, in particular, the course to achieve universal healthcare coverage has not changed.

Thus, the National Health Service of Ukraine consistently paid funds to healthcare and pharmacy facilities. The Medical Guarantee Program (hereinafter referred to as the MGP) quickly adapted to the conditions of a full-scale war. In 2024, the package "Preparedness and provision of medical care to the population in the territory where hostilities are taking place" continued to operate for healthcare facilities located in the combat zone. Since the outbreak of full-scale war, the MGP has once again proved to be a flexible tool that works for the benefit of patients and healthcare facilities.

In 2024, about UAH 157 billion was spent under the budget program "Implementation of the State Medical Guarantees Program for the Population". One of the main priorities was, in particular, medical rehabilitation, psychological assistance and improvement of mental health, treatment of cancer and strokes.

At the same time, new packages were introduced in the PGM in 2024, namely:

- "Treatment of infertility using assisted reproductive technologies (in vitro fertilization)";
- "Treatment of adults and children through organ transplantation";
- "Treatment of adults and children by hematopoietic stem cell transplantation".

The reimbursement program "Affordable Medicines" also continued to change to meet the needs of patients and ensure quality access to medicines and medical devices, for which UAH 5.6 billion was allocated in 2024. The program provides patients with the right to receive prescription medicines free of charge or with a small surcharge (for patients with cardiovascular diseases, chronic lower respiratory diseases, type I and type II diabetes, diabetes insipidus, Parkinson's disease, behavioural and mental disorders, epilepsy), as well as for providing patients with medicines in the post-transplant period and for pain treatment and palliative care.

Therefore, in 2024, special attention was paid to the efficiency of using the funds for the PMG, which should be used to provide quality, affordable and free medical care to patients.

In addition, in order to implement the Law of Ukraine No. 2469-IX of July 28, 2022 "On medicines", and to harmonize the national legislation of Ukraine with the EU law, a number of draft regulations are being developed:



- Draft Resolution of the Cabinet of Ministers of Ukraine "On approval of the Procedure for implementation of state supervision (control) measures in respect of medicines":
- Draft Order of the Ministry of Health of Ukraine "On amendments to the Procedure for conducting industry certification of laboratories for quality control and safety of medicines":
- Draft Order of the Ministry of Health of Ukraine "On approval of the Procedure for formation and maintenance of the register of brokers in medicines circulation".

At the same time, active work is underway on the draft resolutions of the Cabinet of Ministers of Ukraine "On approval of the Procedure for importation of medicines into the territory of Ukraine" and "On approval of the Procedure for state quality control of medicines imported into the territory of Ukraine".

Ukraine is also gradually adopting the European standards to provide Ukrainians with quality medicines and prevent falsification of medicines, namely: protection of the supply of medicines and compliance with the unified coding and identification system.

To this end, through the adoption of Resolution of the Cabinet of Ministers of Ukraine No. 1121 of September 26, 2024 "Some issues of safety and verification of medicines", a national system of verification of medicines with 2D coding was introduced, which obliges manufacturers to apply safety measures to the packaging of the medicines.

In addition, work continues on the approximation to the EU acquis in terms of developing the blood system. In particular, the Cabinet of Ministers of Ukraine adopted Resolution No. 621 of May 30, 2024 "On approval of the licensing conditions for the economic activity of procurement and testing of donor blood and blood components regardless of their final purpose, processing, storage, distribution and sale of donor blood and blood components intended for transfusion", which is an important step towards improving the quality and safety of donor blood, as well as the implementation of the EU legislation in this area.

In order to further regulate the functioning of the information and communication system of blood donation, the following was adopted:

- Order of the Cabinet of Ministers of Ukraine No. 857-r of September 06, 2024 "On amendments to the Concept of eHealth Development" - to improve the quality and accessibility of healthcare services, empower patients, provide them with continuous medical care, and increase the efficiency of management and use of resources;
- Order of the Ministry of Health of Ukraine No. 549 of April 1, 2024 "On approval
  of the Procedure for maintaining the Register of visits of persons who have
  expressed a desire to donate blood and/or its components in the information and
  communication system of blood donation";
- Order of the Ministry of Health of Ukraine No. 1061 of June 18, 2024 "On approval
  of the Procedure for maintaining the Register of Donor Awards in the information
  and communication system of blood donation", which approved the Procedure for
  maintaining the Register of Donor Awards in the information and communication
  system of blood donation.



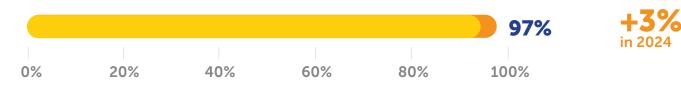
In addition, in order to regulate the transparency of biobanks and define the basic principles of their operation, the Cabinet of Ministers of Ukraine adopted Resolution No. 999 of August 30, 2024 "On approval of the Procedure for the collection, storage and use of human biological samples for research purposes", which took into account the provisions of Regulation (EU) No. 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).

In order to implement Directive 2014/40/EU of the European Parliament and of the Council of April 03, 2014 on the approximation of the laws, regulations and administrative provisions of the Member States concerning the manufacture, presentation and sale of tobacco and related products and repealing Directive 2001/37/EC, the Ministry of Health of Ukraine adopted Order No. 1488 of August 26, 2024 "On approval of the Procedure for submission of reporting", envisaged by Article 11-1 of the Law of Ukraine "On measures to prevent and reduce the use of tobacco products and their harmful effects on public health", which will affect manufacturers and importers of tobacco products and herbal smoking products due to the need to adapt to new regulatory requirements and will have a positive impact on public health, as the public will be provided with access to complete and reliable information on the ingredients and emissions of products.

It is worth noting that an important step for Ukraine in raising public awareness, improving early diagnosis and quality of cancer treatment is the introduction of the National Strategy for the Control of Malignant Tumours until 2030 and the Action Plan for its implementation until 2025, approved by the Cabinet of Ministers of Ukraine on August 2, 2024, No. 730-p.



# **EDUCATION, TRAINING AND YOUTH**



On June 6, 2024, the new Law of Ukraine "On preschool education" (No. 3788-IX) was adopted, aimed at increasing the coverage of children with preschool education, creating safe conditions and diversifying forms of its acquisition, which will facilitate women's access to the labour market and promote gender equality.

As part of the New Ukrainian School reform, the State standard of specialized secondary education was approved (Resolution of the Cabinet of Ministers of Ukraine No. 851 of July 25, 2024), which defines the structure, content and expected learning outcomes for students in grades 10-12 and provides for the possibility of forming an individual educational trajectory in an academic or professional field. The implementation of the State Standard will start in September 2027.

In 2024, with the support of the European Union, the National Unit of the European Educational Information Network Eurydice, the National Resource and Information Centre for Career Guidance Euroguidance, the National Europeas Centre, the National Coordination Centre for the European Qualifications Framework for Lifelong Learning (NCP EQF), the National eTwinning Support Office - Ukraine started operating in Ukraine.

# **VOCATIONAL EDUCATION**

20 state educational standards for specific professions were approved, developed, in particular, in accordance with the Recommendation on key competencies for lifelong learning (EU Council Recommendation of May 22, 2018 on key competencies for lifelong learning No. 2018/C 189/01).

The Roadmap for the development of vocational (vocational-technical) education for persons with disabilities and other low-mobility groups until 2030 was approved (Order of the Ministry of Education and Science No. 717 of May 20, 2024).

In 2024, 88 educational and practice centres (EPCs) were established in 22 regions of Ukraine with a subvention from the state budget of UAH 549.2 million. The implementation of dual education continues. As of today, the dual form of education has been introduced in 176 vocational (vocational and technical) education institutions in 87 working professions, involving 1,046 business entities (enterprises, institutions, organizations). A total of 16,822 students are enrolled in the dual form of education.

At the end of 2024, the collection of statistical reports in Zhytomyr and Dnipro oblasts on vocational education was piloted in software and hardware complex "AICOM" using the module "Vocational Education Management Information System" created with the support of the EU4Skills: Better Skills for Modern Ukraine project.

In 2024, the Skills4Recovery program, aimed at supporting vocational (technical) education institutions that teach priority professions for reconstruction, received additional funding from the European Union, Poland, and Estonia, raising its budget to



€25.5 million. This will allow the program to be expanded to cover the whole of Ukraine, train 4,700 specialists and support 50 vocational education institutions.

## HIGHER EDUCATION AND ADULT EDUCATION

In 2024, 285 first-generation higher education standards were developed and approved in line with European standards and recommendations. Norms for the internal quality assurance system were defined for each specialty (in each standard).

The Law of Ukraine No. 3642-IX of April 23, 2024 created conditions for expanding the opportunities for higher education students to form individual educational trajectories and the autonomy of higher education institutions in the development and implementation of educational programs that meet the approaches of the European Higher Education Area (EHEA), in particular the Standards and Recommendations for Quality Assurance and the provisions of the Rome Ministerial Communiqué of the EHEA (2020).

Ukrainian organizations continue to actively participate in the EU's Erasmus+ Education, Training, Youth and Sport Program. In 2024, Ukraine became one of the three leaders in terms of the number of partners involved in projects. Ukrainian universities are coordinators of 10 capacity building projects and 219 Jean Monnet projects (European Studies). 32 higher education institutions joined 18 European University Alliances as associate members. 14 projects involving 65 organizations from Ukraine were recommended for funding in the area of Capacity Building in Higher Education.

On June 25, 2024, the Strategy of the National Agency for Higher Education Quality Assurance (NAQA) until 2026 was approved. It envisages NAQA's membership in ENQA and EQAR, modernization of the accreditation system, creation of independent bodies for assessing the quality of education and promotion of innovation in higher education institutions through the integration of research, education and business.

The list of foreign accreditation agencies and higher education quality assurance agencies issuing certificates of accreditation of educational programs recognized in Ukraine has been updated (Order of the Cabinet of Ministers of Ukraine No. 603-p of June 28, 2024).

The Regulation on accreditation of educational programs for the training of higher education students (Order of the Ministry of Education and Science of Ukraine No. 686 of May 15, 2024, registered with the Ministry of Justice of Ukraine on July 4, 2024 under No. 1013/42358) has been updated, providing for the introduction of important components of the external quality assurance system, in particular, to meet European standards, regulates the procedure for post-accreditation monitoring and review of decisions appeals by the Appeals Chamber.

As of October 2024, more than 10,000 educational programs have been accredited in Ukraine, taking into account compliance with the Standards and Recommendations for Quality Assurance in the European Higher Education Area (ESG).



# SPORTS, PHYSICAL CULTURE AND YOUTH POLICY

As part of the social project "Active Parks - Locations of Healthy Ukraine", the All-Ukrainian Centre for Physical Health "Sport for All" held 651 physical education and recreation events in 2024, which were attended by 483,233 people, including:

- internally displaced persons 97,698;
- war veterans 42,415;
- persons with disabilities 25,482.

The project coordinators at the regional level organized 61,186 physical education and recreation events, covering 1,000,626 people, including:

- internally displaced persons 86,418;
- war veterans 8,917;
- persons with disabilities 14,239.

In order to create conditions for the involvement of persons with disabilities in physical culture and sports, a draft Law of Ukraine "On amendments to the Law of Ukraine 'On physical culture and sports' regarding adaptive sports" has been developed. The draft is aimed at promoting the physical and psychological rehabilitation of persons with disabilities, their specialization and integration into the community.

In 2024, the Law of Ukraine "On anti-doping activities in sports" was adopted, developed in cooperation with the Council of Europe and WADA. The law is in line with international conventions and the World Anti-Doping Code.

The National Compliance Platform resumed its activities, which resulted in a decision to develop amendments to legislation to prevent the production, trafficking and distribution of prohibited substances for use as doping agents in sports.

In addition, the National Sports Integrity Platform was created as part of the implementation of the Council of Europe Convention on the Manipulation of Sports Competitions (Macolin Convention). On its official website (www.fairsport.gov.ua), citizens can report facts of manipulation of sports competitions.

In order to increase liability for illegal influence on the results of official sports competitions, the draft Law of Ukraine "On amendments to the Criminal Code of Ukraine" (reg. No. 11339 of June 14, 2024) was developed and submitted to the Parliament.

As part of the European Sports Week, numerous sports and recreational activities were organized under the slogan "Ukraine is Europe". More than 44,000 people took part in the events, including:

- internally displaced persons 12,000;
- war veterans 2,000;
- persons with disabilities 1,000.

In 2024, the European Commission selected three projects for capacity building in sports, coordinated by Ukrainian organizations, under the Erasmus+ program.



The State Targeted Social Program for the Promotion of Ukrainian National and Civil Identity until 2028 was approved (Resolution of the Cabinet of Ministers of Ukraine No. 864 of July 30, 2024).

The Model educational program for professional development of specialists was also approved (Order of the Ministry of Youth and Sports of March 14, 2024, No. 1587), on the basis of which the following courses were developed: "One Nation: Integration and Support of the Population of the De-Occupied Territories" and "National and Patriotic Education". More than 100 specialists have been trained following the results of certified educational courses.

Under the Career Start program, implemented by the Ukrainian Youth Foundation with the support of UNICEF and UNDP, young people were given the opportunity to find a job or start their own business. In 2024, 21 persons were employed at 12 companies that won the grant competition.

In addition, 4 projects involving 5 partners from Ukraine, including NGOs and the Ministry of Youth and Sports of Ukraine, were selected under the Erasmus+ program.

In 2024, 107 trainings of various levels were held as part of the Youth Worker program, and 2,261 graduates were trained. In addition, the All-Ukrainian Forum of Youth Work "United by Light" was organized, which was attended by 230 people.

In accordance with international agreements between Ukraine, Poland, and Lithuania, competitions were held in 2024 for international youth exchanges. As a result, 13 projects were selected and 8 projects were implemented with the participation of 246 people.

Within the framework of negotiating Chapter 19 "Social Policy and Employment", the Ministry of Youth and Sports of Ukraine together with the Ministry of Economy of Ukraine established a working group on the implementation of the EU Youth Guarantee initiative. As part of its implementation, 2 meetings of the working group, 1 study visit to North Macedonia and 3 webinars for the working group members were held.



# FINANCIAL COOPERATION AND COMBATING FRAUD



In 2024, Ukraine made progress in protecting the financial interests of the European Union:

- the Anti-Fraud Coordination Service (AFCOS) was established to implement Title VI of the Association Agreement;<sup>1</sup>
- the regulatory framework for cooperation was supplemented by a new international agreement the Agreement between Ukraine, of the one part, and the European Union, of the other part, on Ukraine's participation in the Union Anti-Fraud Program of March 20, 2024.<sup>2</sup>

Currently, the AFCOS system in Ukraine includes:

- The Anti-Fraud Coordination Service (AFCOS Ukraine), which performs a coordination role within the system and is the contact point with OLAF. The State Audit Service is authorized to perform the functions of AFCOS Ukraine. To this end, a separate structural unit has been established in the State Audit Service;
- The AFCOS network is a network of interacting entities that have certain responsibilities in protecting the EU's financial interests, namely: Secretariat of the Cabinet of Ministers of Ukraine, BES, State Financial Monitoring Service, State Tax Service, State Customs Service, Treasury, Ministry of Economy of Ukraine, National Anti-Corruption Bureau, National Police, Office of the Prosecutor General, Security Service of Ukraine, resident individual or legal entity that directly receives EU resources in accordance with the legislation and international treaties of Ukraine;
- Interagency Coordination Council for Countering Violations Affecting the Financial Interests of Ukraine and the EU.<sup>3</sup> The Chairperson of the Interagency Coordination Council is the Deputy Prime Minister for European and Euro-Atlantic Integration of Ukraine Minister of Justice of Ukraine, the First Deputy Chairperson of the Interagency Coordination Council is the Deputy State Secretary of the Cabinet of Ministers of Ukraine, the Deputy Chairpersons of the Interagency Coordination Council are the Head of the Government Office for Coordination of European and Euro-Atlantic Integration and the Head of the State Audit Office.

In terms of regulatory approximation, the parties also continued cooperation on the implementation of certain provisions of Directive 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law.

<sup>&</sup>lt;sup>3</sup>The Council is a temporary advisory body of the Cabinet of Ministers of Ukraine, established by the Resolution of the Cabinet of Ministers of Ukraine No. 1110 of October 25, 2017, and consists of deputy ministers and deputy heads of other state (including law enforcement) bodies.



<sup>&</sup>lt;sup>1</sup> clause 3 of the Resolution of the Cabinet of Ministers of Ukraine No. 1110 of October 25, 2017 "On the introduction of a national mechanism for coordination of interaction between public authorities to protect the financial interests of Ukraine and the European Union".

<sup>&</sup>lt;sup>2</sup> ratified by Law No. 3904-IX of August 20, 2024

To this end, the Bureau of Economic Security prepared a draft Law of Ukraine "On amendments to the Criminal Code of Ukraine regarding liability for illegal actions with funds or property of the budgets of the European Union" and a draft Law of Ukraine "On amendments to the Criminal Procedure Code of Ukraine regarding liability for illegal actions with funds or property of the budgets of the European Union", which were sent to the European Commission for expert evaluation.<sup>4</sup>

It should be noted that with the signing of the Framework Agreement between Ukraine and the European Union on special mechanisms for the implementation of the EU's funding for Ukraine under the Ukraine Facility,<sup>5</sup> the legal framework for cooperation between the parties to protect financial interests has been expanded by provisions that define the roles of the competent authorities of the parties and provide a legal framework for control and interaction between the parties in the implementation of international technical cooperation programs under the EU assistance instruments.

<sup>&</sup>lt;sup>5</sup>The said framework agreement supplemented the legal framework for cooperation between the parties provided by the Framework Agreement between the Government of Ukraine and the Commission of the European Communities of December 12, 2006.



<sup>&</sup>lt;sup>4</sup> The Council is a temporary advisory body of the Cabinet of Ministers of Ukraine, established by the Resolution of the Cabinet of Ministers of Ukraine No. 1110 of October 25, 2017, and consists of deputy ministers and deputy heads of other state (including law enforcement) hodies.

# **DEEP AND COMPREHENSIVE FREE TRADE AREA**

The European Union is Ukraine's largest trading partner.

In January-November 2024, the share of trade in goods with the EU amounted to 54.0%, while in the same period of 2023 it was 56.2%.

During January-November 2024, 185,099 EUR.1 certificates were issued for exports to the EU member states, compared to 252,331 such certificates issued in 2023. A total of 1,252,484 such certificates have been issued since the start of the Deep and Comprehensive Free Trade Area.

The number of the EU-oriented exporters who have received the status of an authorized exporter and can export to the EU without obtaining a EUR.1 certificate is increasing. As of today, there are 350 such companies.

On June 6, 2024, Regulation (EU) 2024/1392 of the European Parliament and of the Council of May 14, 2024, came into force, which provides for the extension¹ of the EU's temporary liberalization of trade with Ukraine until June 05. 2025 (inclusive), which include the abolition of all duties, tariff quotas and protective measures on imports originating in Ukraine, except for eggs and albumin, poultry meat and poultry products, sugar, oats, corn, flour and granules, barley cereals, meal and honey, for which the automatic safeguard mechanism and restoration of tariff quotas were provided in case of exceeding the threshold.

In addition, the Ministry of Economy of Ukraine summarized the results of the implementation of the Priority Action Plan for the Implementation of the EU-Ukraine Deep and Comprehensive Free Trade Area for 2023-2024 (hereinafter referred to as the Action Plan), which demonstrated how the trade part of the Association Agreement allows simultaneously to create more opportunities for mutual trade and ensure the fulfilment of Ukraine's EU membership requirements.

The main results of the Action Plan implementation include:

- Public procurement: the parties approved two Decisions of the EU-Ukraine Association Committee in the Trade Configuration on the positive assessment of Ukraine's implementation of Stages 1 and 2 of 5 of the approximation to the EU acquis on public procurement and two Decisions of the EU-Ukraine Association Council on the mutual opening of public procurement markets of the European Union and Ukraine;
- Customs issues: modernized PanEuroMed rules of origin were adopted. Ukraine successfully switched to the New Computerized Transit System (NCTS);
- Roaming: the telecommunications annex to the Deep and Comprehensive Free Trade Area has been updated, paving the way for Ukraine's access to the Roam Like at Home zone;
- Road Transport Agreement: liberalization of international road freight transportation has been extended until June 30, 2025 with a possibility of extension for 6 months.

<sup>&</sup>lt;sup>1</sup>According to the Regulation (EU) 2022/870 of the European Parliament and of the Council of May 30, 2022, measures were introduced to temporarily liberalize trade with Ukraine from June 04, 2022 to June 05, 2023. These measures were subsequently extended by Regulation (EU) 2023/1077 of the European Parliament and of the Council of May 31, 2023, to June 05, 2024.



The Parties are currently working on updating the Priority action plan for the implementation of the Deep and Comprehensive Free Trade Area for 2025-2026.





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