

British-Ukrainian Chamber of Commerce



Kyiv Branch

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2017 Annual Report

Dear Members and Friends,

The British Ukrainian Chamber of Commerce (“BUCC”) brings together British, Ukrainian and international companies and individuals doing business in Ukraine and/or the UK, including in the City of London, the financial capital of Europe, Africa and the Middle-East. We are actively involved in encouraging the development of business and trade, such as with ports and private rail links, irrigation farming and other business areas in Ukraine as well as to address the consequences of Brexit.

Currently, we have projects (1) to increase the availability of political risk insurance, (2) to combat corruption in the courts by creating a Legal Ombudsman and (3) to reform Ukrainian legislation, for example to cure certain technical legal problems in land leases and to improve Production Sharing Agreement (“PSA”) legislation.

The BUCC also provides in-depth information on business, commerce, trade and culture in Ukraine and the UK to assist our members and others interested in business opportunities in Ukraine and the UK. We conduct a wide variety of other business focused activities, including those described below by our special committees. We also organise and contribute to charitable activities for Ukraine.

The BUCC holds monthly networking events, and during 2017, we organized or participated in over 56 events and conducted numerous other activities for our Members, as described below and in the attached list.

The BUCC also supports the Commonwealth of Nations, formerly known as the British Commonwealth.

1. Special Events

We held, in particular, the following major special events (for BUCC members only):

- **Annual BUCC Luncheon in Lviv.** This luncheon was held on 23 June this year to open the Lviv Alpha Jazz Festival, with participation from City of Lviv, Lviv Oblast, BUCC members and Lviv business leaders, at which the Ministry of Infrastructure made a presentation.
- **Reception and Dinner for the Official Visit of President Poroshenko to the UK.** This event was held last April at the Armourers Hall in London between the President and senior officials from his administration and members of the BUCC, at which the President gave an excellent review of Ukraine’s recent achievements to recover from the sharp economic decline resulting from the conflict in eastern Ukraine, resolve the

banking crisis, lower inflation, solve the VAT problem, develop the army, etc. A number of potential major new projects for Ukraine by Members were then discussed over dinner, which should significantly benefit the Ukrainian economy.

- **Receptions and Dinners with Professor James Rubin for the BUCC's Tkachenko Art Project.** Last month, the BUCC held exhibitions and receptions on the Ukrainian Impressionist artist Mykhailo Tkachenko, to begin, with in Lviv at the Lviv National Museum of Art followed by dinner at the Leopold Hotel Dining Room, and then in Kyiv at the Hyatt Hotel Ballroom followed by dinner in the Hyatt's London Room. Professor James Rubin, one of the world's leading experts on Impressionism and the author of the principal study of Manet and over 60 other books and important articles ([his biography is in Wikipedia](#)), spoke at these events as well as at three leading Ukrainian universities. The exhibition at the Hyatt's Ballroom specially featured 20 paintings by Tkachenko that are privately held and are not otherwise generally available for public viewing. Professor Rubin is advising the BUCC on its proposed book on Tkachenko (with Korners Art) and on the BUCC's proposed major exhibition of Tkachenko paintings to be shown in leading museums in Kyiv, London, Paris, New York, Chicago and Toronto (discussed further below under CSR).

2. Monthly Networking Receptions.

In Kyiv, the BUCC holds its Monthly Reception on the last Wednesday of each month (except in December, when it is mid-month) at leading hotels, restaurants and other interesting venues, like the Hyatt, Fairmont and Hilton. Pictures and short press releases on all BUCC events can be found on our [web site](#) (www.bucc.com.ua) and the [BUCC Facebook Page](#).

In 2018, we will also be holding regular meetings in London and Lviv, and later in 2018, in Odesa.

3. Plans for 2017 – Expansion of the BUCC's Branches and Membership.

For 2018, the Chamber has decided (1) to open full branches in Lviv and Odessa and enhance the activity of our London branch, with local Committees for each branch, (2) to begin holding events in Kharkiv and Dnipropetrovsk and (3), through Special Committees, to focus on addressing specially important issues through particular BUCC projects, as described below.

4. The BUCC E-CARD for Discounts

The BUCC's new membership E-Card system provides substantial (5% to 50%) discounts for our members at leading restaurants, hotels, shops and other establishments in Kyiv, London, Lviv, Odessa, Kharkiv and elsewhere. (Members should be able to more than cover their membership cost through these discounts.)

5. Projects to Facilitate Business, Enhance Corporate Social Responsibility and Promote Ukraine.

The BUCC focuses on a number of special projects based on our members ideas as to what we can do to significantly benefit the British and Ukrainian business community. Presently, we are undertaking the following special projects:

- **Brexit.** The BUCC's Brexit Committee is studying how best to react to Brexit (the existing of the UK from the EU) so as to develop further trade between Great Britain and Ukraine, and other countries, when the DCFTA with the EU ceases to apply. The BUCC believes that because the UK imports more than half of its food, it should be in

favor of expanding food imports from Ukraine, unlike the EU which severely restricted such imports in the DCFTA to protect EU farmers. Consequently, as a major food exporter and for other reasons, Ukraine should be a major beneficiary from Brexit.

- **Political/Conflict Risk Insurance.** Ukraine needs greater availability of political/conflict risk insurance, so that such political/conflict risk does not continue to deter foreign investment into Ukraine. The BUCC's proposal is based on increasing the level of political/conflict risk insurance available from the World Bank's MIGA, just as has been done, for the same reason, for the West Bank and Gaza.
- **Legal/Judicial Ombudsman.** For Ukraine's judicial reform and anti-corruption programs to actually help protect UK and other foreign investors into Ukraine, Ukraine needs a Legal/Judicial Ombudsman, as was developed by Sweden when corruption in the Swedish courts was a problem in the early 1900s (this is in addition to the existing Business Ombudsman that focuses on administrative issues and does not get involved in juridical matters). The BUCC's proposal would allow all litigants in Ukraine to take court decisions that constitute an abuse of justice to this Legal/Judicial Ombudsman for immediate review, as well as for the judges responsible for such abusive decisions to be investigated for presumed corruption (this would be different from lustration that is not based on the actual judicial misbehavior of judges).
- **Port/Rail Container Traffic.** The BUCC's Transportation Committee is focused on its project to facilitate moving containers from Asia through Ukraine to Eastern Europe, the Baltics and Scandinavia, and back. This was a principal focus of the discussions with the President at the BUCC's dinner for his official visit to London last April (described above).
- **Irrigation Farming.** The BUCC's Agriculture Committee is focused on providing for greater irrigation to address the problem that crop yields in southern Ukraine are decreasing due to increasing drought from climate change, which is also making the Oleshky Sands, one of Europe's largest deserts that is located in Kherson Oblast, even larger and risks damaging soil quality and yields throughout southern Ukraine. In connection with this, the BUCC is working on a proposal to exempt from the current moratorium on the sale of agricultural land, those sales of land in designated drought distressed areas that are to farmers who commit to spending certain specified significant required amounts on equipment to irrigate this land and which then do so.
- **OSBB Project.** The BUCC's Real Estate Committee earlier obtained significant changes to the implementation of OSBB laws and regulations ([please see our previous KyivPost article on this](#)). We are now organizing an internet "clearing house" at our website, so that (1) different OSBBs can compare their experiences managing their buildings, and (2) details on the relative performance of suppliers of services and goods for buildings and their apartments can be posted for all to see.
- **Tourism Promotion.** The BUCC's Tourism Committee promotes tourism between the UK and Ukraine, and is presently aimed at obtaining UK destination tourism PR

services for Ukraine and certain Ukrainian cities to show potential UK tourists the excellent sites, restaurants and hotels that Ukraine has to offer.

Further information on the BUCC, including pictures and press releases on BUCC events, can be found on our [website \(www.bucc.com.ua\)](http://www.bucc.com.ua) and [BUCC Facebook Page](#).

Our membership fees have been kept at the same level for 2017. Apart from our networking receptions, most of our major events are limited to our Members. Only Members can participate in our special Brexit, Reform, Transportation, Irrigation Farming, Real Estate (OSBB) and Tourism Promotion Committees. In addition, only Members receive our E-Card for discounts at restaurants, hotels and shops in Ukraine and the UK.

Please contact us and join the BUCC to participate in and benefit from our active program.

Yours faithfully,

Bate Toms
Chairman
British-Ukrainian Chamber of Commerce