

On March 3, Arseniy Yatsenyuk, the recently appointed Ukrainian Prime Minister met with approximately 200 foreign and domestic business leaders in Ukraine to inform them the new government's priorities and to receive feedback from the business community.

While the focus of the meeting was business, given the events in Crimea, Mr. Yatsenyuk started by addressing defense issues. In response to Russia's aggressive acts on the territory of Ukraine, Mr. Yatsenyuk informed that the government has raised Ukrainian defenses and is working the international community to de-escalate the conflict. In addition, he informed the audience that he had spoken with Mr. Medvedev, the Russian Prime Minister, asking that Russia remove its troops from Ukrainian territory and stating that Ukraine is ready to continue a dialogue with Russia.

Mr. Yatsenyuk addressed various facets of the Ukrainian economy and the positions of the current government. Throughout his commentary, Mr. Yatsenyuk stressed certain themes that his government is committed to carrying out, including a focus on transparency and anti-corruption, protection of property and encouragement of investment. Some of the key comments included:

- **IMF:** Mr. Yatsenyuk has spoken with the IMF and while he cannot disclose any details, the Ukrainian government is committed to abiding by all conditions tied to any aid from the IMF.
- **Budget:** the current budget adopted by the previous administration is based on unrealistic revenues projections and is being reviewed.
- **Taxes and customs:** the previously combined administrations will be separated and the business community was asked to submit candidates who are non-political professionals to head up each of the administrations.

- **Energy sector:** needs privatization to stop ongoing corruption and do business as part of market economy; energy regulation committee must be independent.
- **No re-privatizations** will be undertaken by the current government and private property rights will be protected.
- **Regulatory:** licensing regulations are being reviewed for simplification.
- **VAT refunds:** while the government can calculate, it has nothing to give back.
- **Rule of Law:** the government recognizes investor's need for developing confidence in the rule of law including judicial reform and oversight.

The business community expressed support for Ukraine's territorial integrity; economic EU association; deregulation, rule of law/property rights and complete eradication of corruption. A commitment was made to propose tax and customs heads and to monitor the selection of the new heads of both the Anti-Monopoly Committee and State Property Fund. There was a confidence from the audience that if reform is pursued, that investment from members and other foreign companies will ensue; however, a caution was made that the business community will monitor and quickly inform government know if it is failing.

Contact

Peter Teluk

European Partner

T +380 44 591 3154

E peter.teluk@squiresanders.com