



## BRDO INTELLIGENCE FACTS, OPINIONS, ANALYTICS

### ORGANIC DRAFT LAW (AGRICULTURE SECTOR)



Draft Law No. 5448-d on the Basic Principles and Requirements for Organic Production, Marking and Distribution of Organic Products was adopted in the second reading by the Verkhovna Rada. BRDO actively participated in drafting new version of the draft Law No. 5448-d after it was rejected by the Parliament in October 2017. In fact, implementation of the provisions of this draft Law will undoubtedly enhance the competitiveness of domestic organic products and expand the export opportunities. In addition, it will guarantee consumers' confidence in products marked as organic, will have a positive impact on the protection of organic market operators against unfair competition, and will further provide transparent conditions for doing business in the field of production and distribution of organic products. Moreover, the draft Law fully implements three EU regulations according to DCFTA Agreement – Regulations 834/2007, 889/2008 and 1235/2008.

### PHYTOSANITARY DRAFT LAW (AGRICULTURE SECTOR)



On the same day the Verkhovna Rada has adopted one more important draft Law No. 6673 on the Settlement of Certain Phytosanitary Procedures, that was finalized by BRDO. As numerous phytosanitary procedures in Ukraine need to be improved and brought in line with the legislation of the European Union, this draft Law, among other things, will allow to solve several problems of the functioning of the plant protection system, as well as, minimize the costs and risks of agricultural manufacturers and exporters of products of plant origin. Draft Law No. 6673 brings Ukrainian phytosanitary system in conformity with the EU Directive 2000/29/EU and Regulations No. 2016/2031 and No. 625/2017.

### IMPROVED ACCESS REGIME TO INTERNET INFRASTRUCTURE FOR PROVIDERS IN RURAL AREAS (IT & TELECOMMUNICATION SECTOR)



The decision on improved access to the network will provide estimated 5 to 19 million Ukrainian will with the possibility to connect to broadband internet service providers, which will enhance the economic opportunities, and provide various e-services to the underserved areas in Ukraine. The adopted package of regulations on improved Internet infrastructure access regime successfully concluded a yearlong effort, spearheaded by BRDO in coordinated effort with the Ministry of Regional Development, Ministry Infrastructure and Ministry of Energy and Coal Industry, and with the full support of business community, including key players - the Ukrainian Internet Association, Telecommunication Chamber of Ukraine and others.

### INCREASED TRANSPARENCY AND EFFICIENCY IN LAND RELATED OPERATIONS (CONSTRUCTION SECTOR)



A yearlong, high-impact effort coordinated with the Ministry of Agriculture and State Geo Cadastre, and key industry stakeholders will significantly improve efficiency and transparency of land related operations, will reduce the corruption risks, as well as, save more than 56 million UAH per year for the business customers.

### SIMPLIFIED PROCEDURE FOR EMPLOYING FOREIGN WORKFORCE IN UKRAINE (IT & TELECOMMUNICATION SECTOR)



Spearheaded effort by BRDO in cooperation with Ministry of Economic Development and Trade of Ukraine and Migration Service of Ukraine and close support of IT Ukraine resulted in adoption of simplified employment registration procedure for foreign workers in Ukraine. The adoption of the new regulation is also meant to increase attractiveness of Ukraine as employment location, particularly in rapidly growing IT sector, as well as, improve the investment climate.

### ABOLISHMENT OF MANDATORY RECORD-KEEPING FOR FOREIGN REPRESENTATIVE OFFICES (IT & TELECOMMUNICATION SECTOR)



The Soviet-era procedure requiring foreign companies to engage third-party services for record-keeping was abolished, saving foreign employers expense and time. The newly adopted procedures will enhance attractiveness of Ukraine as employment destination for qualified workforce.

### SIMPLIFICATION OF LICENSING REQUIREMENTS FOR BUSINESS (MARKET SURVEILLANCE SECTOR)



In order to improve the business climate and enhance the attractiveness of commencing economic activity in Ukraine, BRDO coordinated efforts to cancel 22 regulations relating to economic activity that was no subject to licensing under the existing licensing laws reducing the regulatory pressure on business community in Ukraine.

### PRELIMINARY EVALUATION OF ELECTRONIC DOCUMENTS IN THE STATE GEOCADASTRE WAS INTRODUCED (CONSTRUCTION SECTOR)



Provided a basis to reduce a large number of unsubstantiated refusals when attempting to register in the database of the StateGeoCadastre and simplified providing a number of administrative services. In particular, a preliminary review of electronic documents was introduced. And that will reduce the number of refusals by 100 thousand and provide 56.6 million UAH of business savings per year.

\*\*\*The following decisions of the Cabinet of Ministers of Ukraine support implementation of Ukraine's obligations under Article 123 (regulatory approximation), Article 378 and 379 (better business environment, incl. for SMEs) and Article 420 (reduction of gray economy) of the Association Agreement.

BRDO experts have prepared a concept of national policy for virtual currencies. After all, Ukraine is among top-10 countries in the world by the number of cryptocurrency users, while the daily cryptocurrency trading volumes with hryvnias amount to \$1.9 million. In Ukraine, the market exists and develops de facto, but it doesn't exist de jure. Read [here](#) how to solve this problem.

BRDO together with partners as part of <https://regulation.gov.ua/> has developed a new service to control transparency in the use of road fund resources. Based on ProZorro and E-data open data, we will analyze the tenders announced, preferred tenderers and actual payments for works performed. We will publish the rating of regions on the basis of these indicators every month. The portal also provides opportunities for the in-process monitoring of tenders and possible frauds. Details are available [here](#).

BRDO together with the Ministry of Health has developed a draft Concept of professional licensing of doctors. This concept offers to introduce a completely new system to access the medical profession. All Ukrainian doctors should integrate in the international medical community with an appropriate level of knowledge and professional skills by 2024. Read more [here](#).

The Ministry of Regional Development has introduced a public process of providing deviations from building codes and standards (DBN). Moving forward, it will be possible to monitor the processing of applications for approving deviations from DBN and the results of their consideration at a meeting of the commission, which decides on their approval, online. At some point, BRDO experts have joined the initiative to make this process public.

BRDO encourages ethical hackers to participate in testing [regulation.gov.ua](https://regulation.gov.ua) and [inspections.gov.ua](https://inspections.gov.ua) public services. The main goal is to improve the security of public services and engage vulnerability assessment specialists. More information is available [here](#).

The [#BRDOSchool](#) has successfully completed the first training season of the Legislative Drafting course. 98 students have received their diplomas. Read more [here](#).

### EXPERT OPINION:

In July, the Government, in cooperation with the BRDO Office, increased the attractiveness of business environment in the country by 5 degrees having adopted 5 important decisions for entrepreneurship. Let's talk about them [in the Oleksiy Honcharuk's column](#).

Ukraine should not follow its competitors, but come after Google, Apple and Amazon: those who quickly moved from garage businesses by using whatever was available to corporations, whose budgets are the same as many states have, and the number of service users is similar in size to the populations in large countries. How to achieve this? Read [in the Denis Malyska's blog](#).

## IMPROVING REGULATION IN UKRAINE

Better Regulation Delivery Office (BRDO) established in 2015, is an advisory and delivery body on regulatory policy, supported by the EU under the FORBIZ project and within the framework of EU4Business Initiative. BRDO has become a key player in providing expertise on the SME regulatory reform issues aimed to ensure a level playing field for SMEs and delivering concrete regulatory results that has helped to stimulate economic growth. In close coordination with Ukrainian Government, BRDO has advised for abolition of more than 720 illegal and outdated regulatory acts, as well as, stimulated the adoption of more than 35 regulations to improve business environment for SMEs.