

UKRAINE NEWSLETTER Q1/Q2 2021

POLITICAL AND ECONOMIC NEWS

- People's Deputies supported a bill submitted by Government to **unblock large-scale privatization**. The law will finally allow the launch of SOE sale auctions, which were banned for the duration of the quarantine starting fall of 2020. (UNIAN)
- According to the Ministry of Economy, the large-scale privatization concerns the **sale of Bolshevik, Odesa Portside Chemical Plant, United Mining and Chemical Company, and Kyiv President Hotel**. According to the agency's estimates, the sale of major state-owned enterprises in 2021 will bring as much as UAH 12 billion to the state budget, as well as attract investment. (Ministry of Economy)
- The Ministry of Digital Transformation of Ukraine signed a memorandum with INTELMAX Management Consulting on cooperation in creating a platform for the exchange of intellectual property based on the Fantom blockchain platform, which will provide increased security and transparency. It is also planned to introduce blockchain technologies in government processes and services. (Ukrinform)
- Russia is amassing troops at Ukraine's Eastern border in a show of force. US and EU concerned, pledging unconditional and unwavering support for Ukraine and warning Russia of consequences in case of aggression.

IMPORTANT LAWS TO SUPPORT INVESTORS IN UKRAINE

- On February 13, 2021, the Verkhovna Rada of Ukraine adopted Law **"On State Support of Investment Projects with Significant Investments"**. It is envisaged that the local governments will be able to reduce land tax and land rent rates for large investors or exempt them from paying such taxes. The Law also provides for state support for investment projects with significant investments and creation of new jobs. (dlf.ua)
- On March 2, 2021, the Verkhovna Rada of Ukraine adopted **Laws on Tax and Customs Incentives for Investors** Implementing Investment Projects with Significant Investments:
- From January 2021 to January 2035 the exemption from VAT is envisaged for important transactions into the customs territory of Ukraine under the import customs regime of equipment for the implementation of an investment project with significant investments under a special investment contract
- It also provides for import duties relief on equipment imported by an investor during the implementation of an investment projects
- An investor with significant investments under a special investment contract shall be exempt from corporate income tax. (dlf.ua)
- On March 19, 2021, the President of Ukraine signed the **Order on Creation of the National Investment Fond**. The Fond aims to create favorable conditions for the implementation of large-scale investment projects, streamline the development of international economic cooperation, and increase the competitiveness of Ukraine's economy. (president.gov.ua)

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VI2 Partners turns into Smartcom.

From Q3/2021 this newsletter will be published by Smartcom Holding, which has integrated all activities of VI2 Partners in Austria and Ukraine.

PERSONALITIES OF UKRAINIAN POLITICS



Roman Leschenko

Minister of Agrarian Policy and Food of Ukraine

(Foto credit: CMU)

His vision of the agro-industrial complex development:

- Working out of a strategy for the sector development for 7-10 years.
- Launch of a transparent State Register of agrarians.
- Continuation of the land reform announced by the President, adoption of the draft Law 2194 on land decentralization.
- Opening of the land market for Ukrainians from July 1, 2021, completion of digitalization of the State Geocadastre.
- Completion of the reform of the State Service for Food and Consumer Protection and approximation of Ukrainian veterinary and sanitary legislation with the European, attraction of USD 2 billion of investments to generate growth in grains production by 30%.
- De-shadowing of the land market.
- Creation of an association of water users, resuscitation of the already existing concept of irrigation. (agropolit.com)

Main achievements at the position of the Head of the State Service of Ukraine for Geodesy, Cartography and Cadastre:

- The State Geocadastre transferred 1 million 246 thousand hectares of agricultural land to territorial communities. The land was already held by 857 territorial communities.
- Digitalization of the State Cadastre entries.
- Land inventory has been completed in seven regions of Ukraine.
- Due to the optimization and reorganization of the State Geocadastre, the number of its employees, which currently exceeds 10 thousand, decreased by almost 60%. (agropolit.com)