



Association  
of European  
Businesses

# ANNUAL REPORT

## 2018





# CONTENTS

Introduction .....	2	Intellectual Property Committee .....	73
About the AEB .....	3	IT & Telecom Committee .....	75
Media relations .....	4	Legal Committee .....	77
<b>Open events .....</b>	<b>5</b>	Machine Building & Engineering Committee .....	79
<b>Committees and Working Groups reports .....</b>	<b>29</b>	Migration Committee .....	81
Agribusiness Committee .....	30	Non-food FMCG Working Group .....	84
Airline Committee .....	31	North-Western Regional Committee .....	85
Automobile Manufacturers Committee .....	32	Product Conformity Assessment Committee .....	88
Automotive Components Committee .....	35	Public Relations & Communications Committee .....	89
Banking Committee .....	37	Real Estate Committee .....	92
Coatings Industry Working Group .....	39	Retail Trade Committee .....	93
Commercial Vehicles Committee .....	40	Safety, Health, Environment & Security Committee .....	94
Compliance & Ethics Committee .....	42	Seed Committee .....	96
Construction Equipment Committee .....	44	Small & Medium-Sized Enterprises Committee .....	97
Construction Industry & Building Material Suppliers Committee .....	46	Southern Regional Committee .....	99
Crop Protection Committee .....	48	Taxation Committee .....	102
Customs & Transport Committee .....	49	Tobacco Products Working Group .....	104
Energy Committee .....	54	Working Group on Modernisation & Innovations .....	105
Energy Efficiency Committee .....	57	Working Group on the Regulation of Chemical Products .....	107
Finance & Investments Committee .....	59	<b>Financial statements &amp; Membership statistics .....</b>	<b>108</b>
Food Processing Committee .....	62	Financial statements .....	109
Health & Pharmaceuticals Committee .....	63	Membership statistics .....	111
Home Appliances Manufacturers Committee .....	65		
Hotels & Tourism Committee .....	66		
Human Resources Committee .....	68		
Insurance & Pensions Committee .....	71		



**Johan Vanderplaetse**  
Chairman of the Board

## DEAR READERS,

The AEB is the largest foreign business association in Russia, representing the interests of about 500 leading European and international companies. Since 1995, the Association has been gradually expanding the scope of its activities through the substantial work of Committees and Working Groups.

In 2018 the AEB focused on dealing with such issues as: defending the interests of investors in a fast-moving environment amid sanctions, parallel imports, localisation, track & trace system, customs and transport, migration, taxation, waste management, technical regulation, conformity market surveillance, and a variety of other topics suggested by member companies.

The AEB highly appreciates its working relations with the media. We have broad coverage of the most significant AEB events by the federal and regional information agencies. AEB activities are covered by both Russian and international press.

In 2018 we proceeded with production of publications. The "Business Quarterly" magazines explored such topics as: digitalization; a new customs regulatory environment; safety, health, environment and security; legal and intellectual property issues. As always, magazines were broadly distributed at Moscow business centres, hotels, restaurants, airports and embassies, at AEB regional branches in St. Petersburg and Krasnodar, as well as at all AEB external and internal events. Likewise, the "Real Estate Monitors", the "How to invest in Russia" guide, the "European Business in Russia: Position Paper 2019", the "Annual Report 2017", and the "Report on AEB Lobbying Activities" were released.

We would like to express our genuine gratitude to the members of the AEB Board, the Council of National Representation, the Auditing Commission and Chairpersons of the Committees, Subcommittees and Working Groups for their ongoing support and trust, for valuable inputs made to promote the interests of AEB member companies, and for efforts invested into enhancing economic relations between Russia, the European Union and the Eurasian Economic Union.

This Annual Report will summarise the activities the AEB managed to implement in 2018. In particular, we had a number of top-level briefings, meetings and presentations. We also organised numerous open events, conferences, round tables and receptions. AEB representatives took part in major economic forums held in Russia.

We hope that the AEB accomplishments will help to create more favourable conditions for doing business in Russia and reveal potential of member companies.



**Frank Schauff**  
Chief Executive Officer

## THE ASSOCIATION OF EUROPEAN BUSINESSES (AEB)

- Was created in 1995 by a number of companies operating on the Russian market, Ambassadors of EU member countries and the Head of the European Commission's Representative Office in the Russian Federation.
- Is the main representation of foreign investors in Russia, from small-size newcomers to major multinational corporations. The Association also includes a number of key Russian, American, Japanese and other companies.
- Is a unique organisation developing cooperation between Russian and European business circles. The AEB mission is to improve the investment climate in Russia in the interests of its member companies, and promote a favourable image of Russia abroad to improve business development conditions inside the country and attract foreign investors.
- Annually organises 100+ conferences, seminars, briefings and roundtable discussions dedicated to vital aspects of running a business in Russia. Regular speakers at the Association's dialogue with European business include Ministers of the Russian Government, Heads of Administrations of the Russian regions, official representatives of international financial organisations, key economic agencies and organisations, independent experts and leading European and Russian businessmen.

**Committees, Subcommittees and Working Groups.** Committees and Working Groups are the backbone of the AEB. Currently, there are over 60 Committees, Subcommittees and Working Groups representing companies from various industries.

**Lobbying.** The Association promotes its members' interests by closely cooperating with Russian, EU and EAEU authorities, and holding regular consultations with relevant officials. The European Commission and the Eurasian Economic Commission have regularly consulted with the Association with regard to financial and commercial relations with the Russian Federation. The AEB lobbying is based on the maximum transparency, high professionalism and a mechanism of reacting to new challenges which has been adjusted for many years.

**Consulting.** The Association engages European and Russian experts to provide consulting services to Russian, European and Eurasian officials and member companies on legal, financial and economic matters. In particular, practical support is offered in safe and transparent investment, issues of human resources and corporate management.

The AEB has two regional branches – in St. Petersburg and Krasnodar.

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## MEDIA RELATIONS

The number of media requests remained high in 2018. AEB press contacts include federal Russian information agencies (Kommersant, Vedomosti, RBC, Interfax, TASS, RIA Novosti, Izvestia, 1 Channel, TV Channel Russia 24, TV Channel Russia 2, RBCTV, TV Channel Russia Today, NTV, 5 Channel, Ren-TV, etc.); regional media (in particular, the north-western regional press contacts in St. Petersburg, and agencies from the southern region); international media such as: Associated Press, Bloomberg, BBC, BILD-Zeitung, De Tijd, the Economist, the Financial Times, Deutsche Welle, DieWelt, DWN, El Mundo, El Pais, Euronews, Europa Press, La Tribune, Le Figaro, Le Monde, Les Echos, Handelsblatt, RFI, Reuters, Wirtschaftsblatt (Autriche), YLE.

### Press conferences, briefings and meetings

In 2018, the AEB managed to organise a number of high-level events, such as: the Automobile Manufacturers Committee Annual Press Conference (12 January 2018); business breakfast with Herman Van Rompuy, President of the European Policy Centre, President Emeritus of the European Council and former Prime Minister of Belgium (17 January 2018); briefing by Mukai A. Kadyrkulov, Member of the Board, Minister of Customs Cooperation of the Eurasian Economic Commission (14 March 2018); briefing by Igor Artemiev, Head of the Federal Antimonopoly Service of Russia (29 March 2018); meeting with Elvira Nabiullina, Governor of the central Bank of Russia (26 June 2018); briefing by Boris Titov, Presidential Commissioner for Entrepreneurs' Rights (12 October 2018); meeting with Sergey Sobyanin, Mayor of Moscow (10 December 2018); briefing by Maxim Oreshkin, Minister of Economic Development of Russia (12 December 2018).

### Press releases

In 2018, the AEB Marketing, PR and Communications Department issued a number of press releases, including monthly press releases related to sales of new passenger cars and light commercial vehicles in Russia; quarterly press releases on sales of new construction equipment; the results of the annual AEB-GfK Rus survey "Strategies and prospects for European companies in Russia"; messages about AEB lobbying activities, initiatives and briefings.

In 2018, the AEB was mentioned in the media 14,673 times (of which 8,984 quotes were in the federal press; 4,410 – in the regional sources, and 1,279 – in the foreign media).<sup>1</sup>

### AEB Corporate Social Responsibility

The AEB supported the Tagansky Children's Fund in 2018 through a mutually beneficial cooperation.

### Online activities

In 2018, the AEB Facebook page developed as a powerful communications tool for our members, partners and a wider audience. All recent updates on the AEB most important events are posted on a regular basis. Since the beginning of 2018, the number of permanent followers of the AEB Facebook page increased by more than 300 individuals; the average publications reach is 1,388 views per post.

In October 2018, the AEB launched its account in Instagram. Since that time, the account has rapidly gained numerous subscribers.

The AEB Twitter account was revitalised last year.

Likewise, we kept producing numerous online surveys regarding the outcomes of the implemented activities and the level of satisfaction among member companies.

### Publications

The AEB continued to produce its official "Business Quarterly" magazine with a print run of 16,000 copies. Each issue covers a selected topic related to the most relevant challenges which businesses have to face while operating on the Russian market. The magazine contains AEB updates, brief description of new members, and information provided by member companies on their most recent developments and appointments.

Four quarterly "Real Estate Monitors" were released last year (two in a print form and two as online versions). The publications review capital, retail, office, warehouse, hospitality and housing markets in Moscow and St. Petersburg, and are broadly illustrated with detailed graphs and tables.

The "How to invest in Russia" annual guide covers business, financial, legal, corporate, environment and other aspects of investments. It also provides an insight into investments by regions and industries as well as into opportunities for production localisation in Russia. The magazine was published in November 2018.

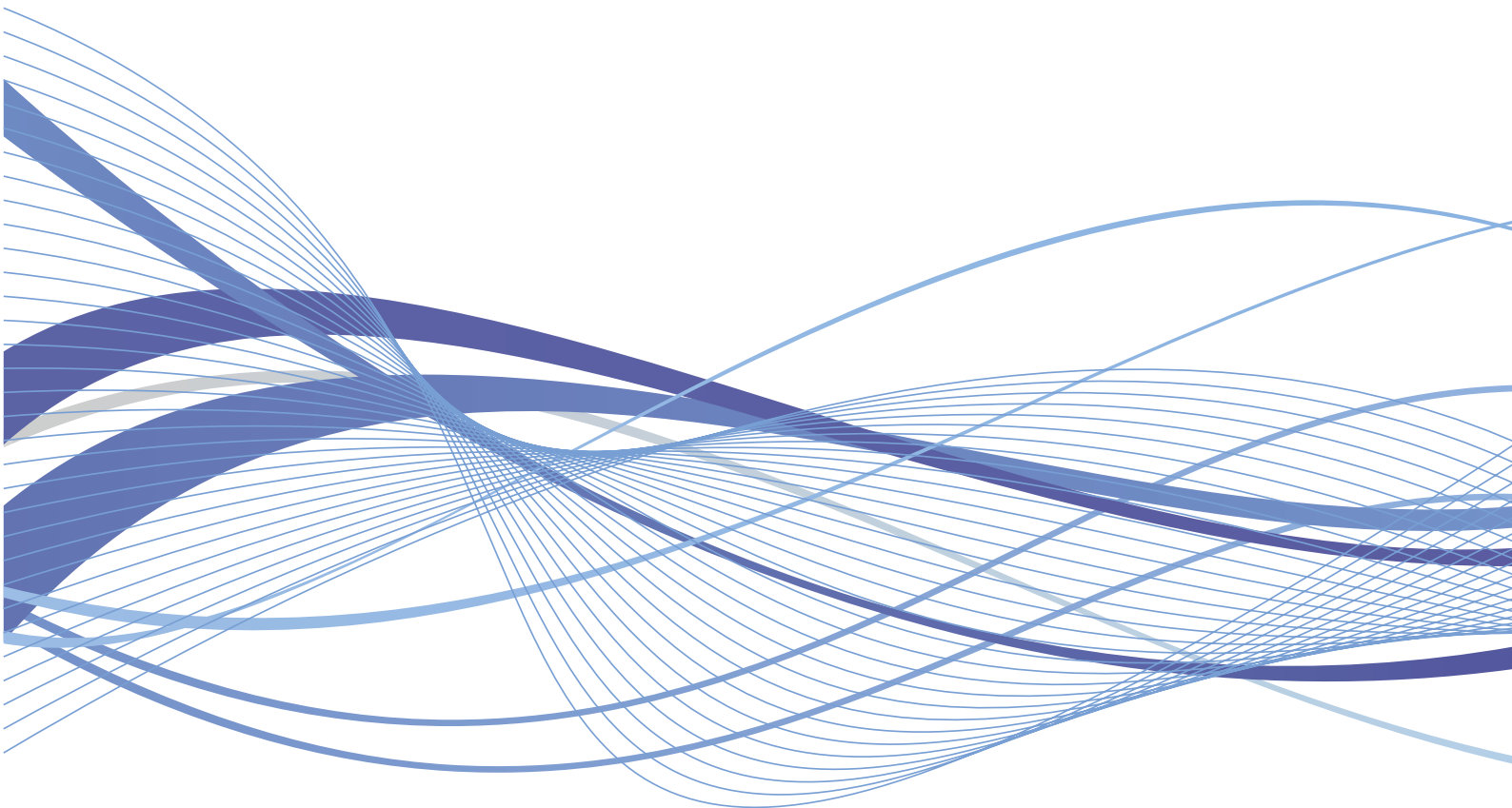
Traditionally, the Position Paper came off the press in late 2018. The edition accumulates specific issues and clear recommendations elaborated by the AEB Committees and Working Groups with regard to the most acute issues which businesses have to encounter in a rapidly changing environment.

<sup>1</sup> According to Interfax-SCAN

# Open events

January-December

**2018**



## AEB selected events in 2018

- AMC XI Annual Press Conference "REVIEW 2017" **12.01**
- Business breakfast with Herman Van Rompuy, President of the European Policy Centre, President Emeritus of the European Council, former Prime Minister of Belgium **17.01**
- Presentation of the World Bank report **23.01**
- Annual Strategy Meeting **25.01**
- Conference on Big Data **30.01**
- Meeting on energy equipment issues **07.02**
- 15<sup>th</sup> Jubilee HR Conference "Team spirit 2018" **13.02**
- Open meeting on U.S. sanctions **13.02**
- Open event in St. Petersburg "Financial outlook 2018 – update for successful business" **15.02**
- Winter Cocktail **20.02**
- 14<sup>th</sup> Annual Conference "Customs and business: 10 steps toward each other" **21.02**
- 5<sup>th</sup> Talks on the Russian Economy "Russian economy: quo vadis" **27.02**
- Presentation of investment potential of the Republic of North Ossetia-Alania and the Karachay-Cherkess Republic **01.03**
- Briefing by Mukai A. Kadyrkulov, Member of the Board, Minister for Customs Cooperation of the Eurasian Economic Commission **14.03**
- Taxation Committee event "The responsibility of companies' executives for tax violations: survive and win" **14.03**
- Belgian EuroReception **15.03**
- Open event "Results and prospects in the field of legal regulation of commercial real estate" **16.03**
- Open event "Cyber security checkups" **20.03**
- Open event "Key trends and challenges in global communications – new tools to promote and protect corporate reputation" **21.03**
- AEB Board mission to Brussels **21-23.03**
- Annual General Meeting of the AEB Southern Regional Committee in Krasnodar **23.03**
- Open event in St. Petersburg "Risk barometer: responsibility of business and managers in Russia" **27.03**
- Briefing by Igor Artemiev, Head of the Federal Antimonopoly Service of Russia **29.03**
- Annual General Meeting in St. Petersburg **04.04**
- The Ninth Northern Dimension Forum **05.04**
- Open event "ABC of Digitalization" **12.04**
- Joint meeting "New EU General Data Protection Regulation (GDPR) and its adaptation to local realities" **13.04**
- Open meeting "Sanation of insurers: potential risks and new opportunities" **16.04**
- AEB Conference "Get ready for the 2018 FIFA World Cup Russia!" **18.04**
- Open event "Sanctions: where are we now, what is next?" **19.04**
- Open meeting "CSR sustainability in higher education and business: expectations and reality" **23.04**
- Annual General Meeting **25.04**
- Presentation of investment potential of the Novgorod region **16.05**
- Open event "Smart living, smart working" **18.05**
- Presentation of the results of the AEB-GfK Rus survey "Strategies and prospects for European companies in Russia" **22.05**
- Open event "Online solutions in insurance and pensions" **24.05**
- Open event "Sanctions: an evolving story" **28.05**
- Conference in Krasnodar "Sustainable development of territories: modern requirements for human capital management" **07.06**
- XV AEB Jubilee Flagship Conference "Priorities for the Russian economy and the European businesses" **20.06**
- Meeting with Elvira Nabiullina, Governor of the Central Bank of Russia **26.06**
- Roundtable meeting "Fire safety: prevention and tips" **27.06**
- Event "Development of the Russian tax system: results of the first half of 2018 and perspectives" **06.07**
- Open event "EU General Data Protection Regulation (GDPR): implementation experience" **12.07**
- Open event in St. Petersburg "Sanctions: overview, risks and challenges for European companies" **17.07**
- Open event "Life hacks: adult's conscious learning" **27.08**
- Open meeting "Turning potential into success: the missing link in leadership development" **11.09**
- Polish EuroReception **12.09**



- Conference "Technical regulation and conformity assessment in the EAEU and the EU: prospects for approximation" **27.09**
- Round table "Industrial fire safety" **04.10**
- Open event "EU General Data Protection Regulation (GDPR): sharing best practices" **05.10**
- Open meeting "Prospects for application of professional standards by international companies" **09.10**
- Open event in St. Petersburg "Waste management: Russian realities and best practices of the companies" **10.10**
- Briefing by Boris Titov, Presidential Commissioner for Entrepreneurs' Rights" **12.10**
- Event "Waste management: practical experience and novelties in state regulations" **19.10**
- Round table "Machine building market trends in Russia" **24.10**
- Round table "In search of a valuable employee" **24.10**
- Conference "Intra-group transactions: challenges and trends" **25.10**
- Conference in Krasnodar "Strategy of social-economic development of the Krasnodar region: problems and prospects of implementation" **26.10**
- Round table on labour productivity in Russia **29.10**
- Open event in St. Petersburg "Share construction reform – overview from market players" **01.11**
- Round table "Branches of foreign insurance companies in Russia: in search of a balanced approach to regulation" **12.11**
- Open event "Go digital: social media for PR professionals" **13.11**
- Business meeting "New stage of pension reform: challenges and solutions" **23.11**
- AEB Day in Krasnodar **28.11**
- Sponsors Dinner 2018 **26.11**
- Open event "SPIC or not SPIC?" **29.11**
- Briefing by Gabriel Di Bella, Resident Representative of the International Monetary Fund in the Russian Federation **04.12**
- XI AEB Migration Conference "Dialogue: migration law in practice" **05.12**
- Conference in Krasnodar "Corporate volunteering as an element of sustainable development of business and territories" **07.12**
- Meeting with Sergey Sobyanin, Mayor of Moscow **10.12**
- Open event "Year-end update on sanctions" **11.12**
- Briefing by Maxim Oreshkin, Minister of Economic Development of Russia **12.12**
- Austrian EuroReception **12.12**
- Open event "Development of the Russian tax system: results of 2018 and perspectives" **19.12**
- AEB and EEC delegation mission to Germany **20-21.12**

## 12.01: AMC XI ANNUAL PRESS CONFERENCE "REVIEW 2017"



## 17.01: BUSINESS BREAKFAST WITH HERMAN VAN ROMPUY, President of the European Policy Centre, President Emeritus of the European Council, former Prime Minister of Belgium



## 23.01: PRESENTATION OF THE WORLD BANK REPORT



## 25.01: ANNUAL STRATEGY MEETING



## 30.01: CONFERENCE ON BIG DATA



## 13.02: 15<sup>TH</sup> JUBILEE HR CONFERENCE "TEAM SPIRIT 2018"



## 20.02: WINTER COCKTAIL



## 21.02: 14<sup>TH</sup> ANNUAL CONFERENCE "CUSTOMS AND BUSINESS: 10 STEPS TOWARD EACH OTHER"



## 27.02: 5<sup>TH</sup> TALKS ON THE RUSSIAN ECONOMY "RUSSIAN ECONOMY: QUO VADIS"



## 01.03: PRESENTATION OF INVESTMENT POTENTIAL OF THE REPUBLIC OF NORTH OSSETIA-ALANIA AND THE KARACHAY- CHERKESS REPUBLIC



## 14.03: BRIEFING BY MUKAI A. KADYRKULOV, Member of the Board, Minister for Customs Cooperation of the Eurasian Economic Commission



## 15.03: BELGIAN EURORECEPTION



## 21.03: AEB BOARD MISSION TO BRUSSELS





## 29.03: BRIEFING BY IGOR ARTEMIEV, Head of the Federal Antimonopoly Service of Russia



## 04.04: ANNUAL GENERAL MEETING IN ST. PETERSBURG



## 05.04: THE NINTH NORTHERN DIMENSION FORUM



## 12.04: OPEN EVENT "ABC OF DIGITALIZATION"



## 18.04: CONFERENCE "GET READY FOR THE 2018 FIFA WORLD CUP RUSSIA!"



## 25.04: ANNUAL GENERAL MEETING



## 16.05: PRESENTATION OF INVESTMENT POTENTIAL OF THE NOVGOROD REGION



## 22.05: PRESENTATION OF THE RESULTS OF THE AEB-GFK RUS SURVEY "STRATEGIES AND PROSPECTS FOR EUROPEAN COMPANIES IN RUSSIA"



## 28.05: OPEN EVENT "SANCTIONS: AN EVOLVING STORY"



## 20.06: XV AEB JUBILEE FLAGSHIP CONFERENCE "PRIORITIES FOR THE RUSSIAN ECONOMY AND THE EUROPEAN BUSINESSES"



## 26.06: MEETING WITH ELVIRA NABIULLINA, Governor of the Central Bank of Russia



## 06.07: CONFERENCE “DEVELOPMENT OF THE RUSSIAN TAX SYSTEM: RESULTS OF THE FIRST HALF OF 2018 AND PERSPECTIVES”



## 11.09: "TURNING POTENTIAL INTO SUCCESS: THE MISSING LINK IN LEADERSHIP DEVELOPMENT"



## 12.09: POLISH EURORECEPTION





## 12.10: BRIEFING BY BORIS TITOV, Presidential Commissioner for Entrepreneurs' Rights



## 26.11: AEB SPONSORS DINNER 2018



## 28.11: AEB DAY IN KRASNODAR



## 29.11: OPEN EVENT "SPIC OR NOT SPIC?"



## 04.12: BRIEFING BY GABRIEL DI BELLA, Resident Representative of the International Monetary Fund in the Russian Federation



## 05.12: XI AEB MIGRATION CONFERENCE "DIALOGUE: MIGRATION LAW IN PRACTICE"



## 10.12: MEETING WITH SERGEY SOBYANIN, MAYOR OF MOSCOW



## 11.12: OPEN EVENT “YEAR-END UPDATE ON THE SANCTIONS”



## 12.12: BRIEFING BY MAXIM ORESHKIN, Minister of Economic Development of Russia



## 12.12: AUSTRIAN EURORECEPTION

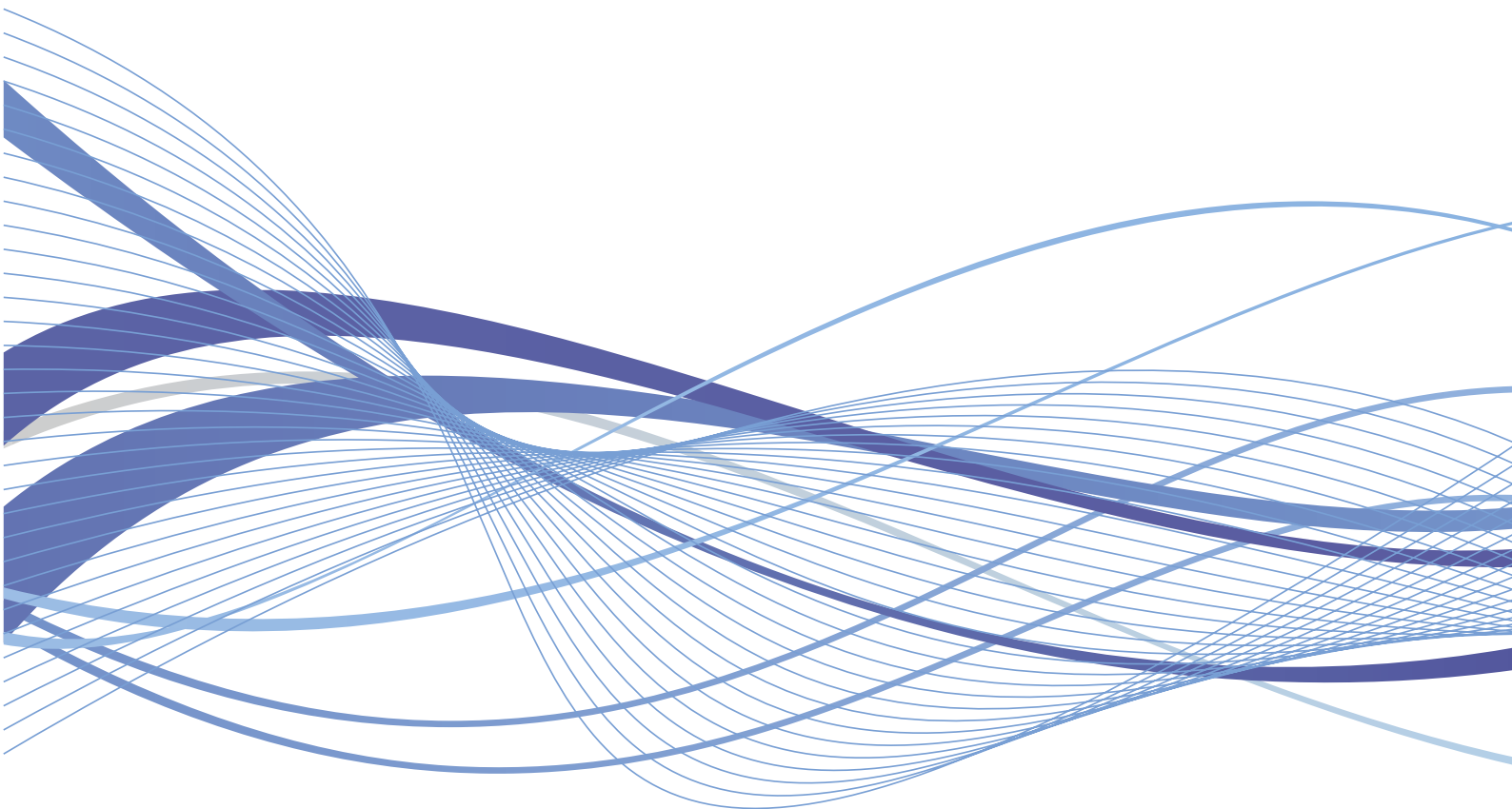


## 20.12: AEB AND EEC DELEGATION MISSION TO GERMANY



# Committees and Working Groups reports

2018



## AGRIBUSINESS COMMITTEE

<b>AIM</b>	To promote the interests of AEB member companies specialising in the agribusiness sector through governmental liaison and lobbying activities.
<b>CHAIRPERSON</b>	<b>Dirk Seelig</b> , Sales Director, Deputy General Director, CLAAS Vostok
<b>AEB MEMBER COMPANIES</b>	CLAAS; CNH Industrial Russia LLC; John Deere Rus.
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>4</b>

### COMMITTEE ACTIVITIES, 2018

Localisation remained the main lobbying issue of the Agribusiness Committee in Russia from 2012 till 2018. The Committee addressed this issue in its letters to A. Gordeev, Deputy Chairman of the Government responsible for the agricultural complex, and to D. Kozak, Deputy Chairman of the Government in charge of industrial issues.

The other target issues for lobbying are application of emissions' stages for tractors under Technical Regulation 031/2012, introduction and implementation of electronic passports for self-propelled vehicles, as well as disposal fee.

On 24 April 2018, Committee's representatives met with A. Kuleshov, Deputy Director of Rosstandart, with regard to Technical Regulation for tractors TR 031/2012, to discuss compliance under the technical regulation for tractors.

Since there was a need to bring this discussion to a higher level, the Committee organised with support of the German VDMA Agricultural Machinery a joint meeting with A. Gotovskiy, Deputy Director of the Department for agricultural complex, Eurasian Economic Commission, and representatives of the Technical Regulation Department, Eurasian Economic Commission, on emissions' stages for tractors under TR 031/2012 on 4 June 2018.

Tightened criteria of Decree 719 led to tightening conditions for allocation of federal and regional subsidies to Committee's companies, which resulted in issuance of Decrees No. 24 and No. 125 of the Ministry of Agriculture. The Committee initiated a meeting with M. Medvedkov, Director of the Department for trade negotiations at the Ministry of Economic Development, to discuss the impact of these documents on the agricultural sector and modernisation of agricultural machinery park on 15 June 2018.



## AIRLINE COMMITTEE

<b>AIM</b>	To represent and lobby for the interests of international airlines in Russia.
<b>CHAIRPERSON</b>	<b>Eric Louveau</b> , General Manager, Air France-KLM
<b>AEB MEMBER COMPANIES</b>	Air France; Delta Airlines; KLM.
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>4</b>

### COMMITTEE ACTIVITIES, 2018

In 2018, the AEB Airline Committee continued lobbying efforts to eliminate discrimination of foreign air carriers which have to pay higher amount of airport charges for using airport infrastructure in comparison with the local air carriers. For this purpose, the Committee submitted letters to officials of the four main airports of the country stressing the importance to equalise tariffs for foreign and Russian air carriers to pay for airport services.

Another important issue was VAT exemption for international air carriers, since this violates several international agreements of the aviation industry. A letter to M. Akimov, Deputy Chairman of the Government in charge of digitalization of the economy, with a copy to E. Dietrich, Minister of Transport, and M. Mishustin, Head of the Federal Tax Service, were sent.

Attraction of new Committee members is also an important topic of the Committee's efforts.

## AUTOMOBILE MANUFACTURERS COMMITTEE

<p><b>AIMS</b></p>	<ul style="list-style-type: none"> <li>• To unite and represent common interests of its members – automobile importers/manufacturers of global automobile producers – which guide business activities in the Russian Federation (producing in and/or importing).</li> <li>• To create conditions for development of civilised automotive market; set and observe common and fair business rules for automotive companies officially operating in Russia and leverage inter-company cooperation and constructive partnership.</li> <li>• The AMC concentrates on the most important and urgent issues of the automotive business which affect its members, developing appropriate responses, lobbying to ensure that member interests are represented, and dealing with the Russian governmental authorities, public institutions, local and international automotive associations and the mass media.</li> </ul>	
<p><b>CHAIRPERSON</b></p>	<p><b>Joerg Schreiber</b>, President and Managing Director, Mazda Motor Rus</p>	
<p><b>DEPUTY CHAIRPERSON</b></p>	<p><b>Lars Himmer</b>, Head, Volkswagen PKW Russia</p>	
<p><b>AEB MEMBER COMPANIES</b></p>	<p>JSC "Avtovaz"; BMW Russland Trading; Chery Automobile Rus; FCA Russia; Ford Sollers Holding; GAZ Group; General Motors CIS Honda Motor Rus; Hyundai Motor CIS; Jaguar Land Rover; Kia Motors RUS; Mazda Motor Rus; Mercedes-Benz Russia; Mercury Auto (Ferrari/Maserati); MMC Rus; Mitsubishi Motors Rus; Nissan Manufacturing Rus; Peugeot Citroën Rus (Groupe PSA); Porsche Russland; Renault Russia; Sollers; Subaru Motor; Suzuki Motor Rus; Toyota Motor; Volkswagen Group Rus (Audi/Bentley/Lamborghini/Škoda/Volkswagen/Volkswagen NFZ); Volvo Cars.</p>	
<p><b>NUMBER OF COMMITTEE MEETINGS</b></p>	<p><b>45</b></p>	
<p><b>AEB OPEN EVENTS ORGANISED</b></p>	<p><b>AEB events</b></p>	<p><b>Date</b></p>
	<p>AMC Annual Press Conference "Review 2017" (~ 200 participants)</p>	<p>12.01.2018</p>
	<p><b>AEB external events</b></p>	
	<p>UN EEC 29<sup>th</sup> Working Group meetings – AEB AMC permanent participation in the work of the Working Group on the UN rules related to vehicles equipped with the emergency response systems</p>	<p>Quarterly</p>
	<p>Meetings at the Eurasian Economic Commission regarding the introduction of electronic passports for vehicles (EPTS) – AMC and CVC representatives are official members of the EEC Working Group</p>	<p>22.01.2018 30.03.2018 24.04.2018 29.06.2018</p>
	<p>OICA meetings at the Geneva Motor Show</p>	<p>05-07.03.2018</p>

<b>AEB OPEN EVENTS ORGANISED</b>	ROAD Convention	11.04.2018
	GLONASS Forum	24.04.2018
	2 Conferences on EPTS at WTC	14.05.2018
	The Central Bank Working Group meetings on OSAGO (AMC is an official member)	04.06.2018
	103 AAI Conference at NICIAMT Dmitrov Test site	06.06.2018
	Annual meeting with ACEA (Brussels, Belgium)	18.06.2018
	Minec meeting on FZ-398	13.08.2018
	FAS consultations on Decree No. 719	15.08.2018
	IMAF	28.08.2018
	MIAS Forum	30.08.2018
	OICA and CCFA events at the Paris Motor Show	01-03.10.2018
	MANF 2018 (International Automotive Scientific Forum) Avtopoligon, Dmitrov	19.10.2018
	Rosavtodealer	25.10.2018
	Avtonet International Forum	01.11.2018
	Transport Week (round tables on GLONASS and electric vehicles)	21.11.2018
	Urban Mobility Forum, AVTONET	30.10.2018
105 <sup>th</sup> AAE Conference on Technical Regulation, Avtopoligon, Dmitrov	05.12.2018	
Festival of Motoring presentation, launch of event	05.12.2018	

## COMMITTEE ACTIVITIES, 2018

The year 2018 was the 21<sup>st</sup> year of AMC operations within the AEB.

For the 12<sup>th</sup> year the Committee continued running for its members an online sales data exchange system, which remained almost the only up-to-date and reliable source of statistics of sales of passenger cars (PC) and light commercial vehicles (LCV) in Russia. Following a well-established tradition, results of the year 2017 were opened to the media at the AMC Annual Press Conference. But unlike the previous years, for the first time the Committee refused to announce the market forecast for 2018 due to absence of clarity with the disposal fee rates at the beginning of the year. That was a strong signal of the industry which looks forward to clear and predictable market conditions. The press conference provided the press with an opportunity to interact with heads of the automobile companies, with regard to very important issues related to the automotive industry.

In April 2018, the AEB and ROAD concluded the Memorandum of Understanding which aims at creating fair, open and transparent rules of competition on the Russian new cars sales market. The MoU is the first industrial agreement. The MoU combines good practices of car manufacturers/distributors and official dealerships in a single document. The Good

Practices is a set of minimum standards that respective participants of the Russian new cars sale market should comply with, wherein the Good Practices do not exclude or replace legislative regulation, but only supplement it in those parts that are not regulated in detail. By the end of the year 15 members (more than 50%) joined the document.

One of the main issues on the AMC agenda in 2018 was a mandatory introduction of the digital passports of the wheeled vehicles (EPTS). Apart from being official active members of the EEC Working Group on introduction of digital passports of wheeled vehicles, the AMC organised for its members numerous meetings with participation of representatives of AO "Electronniy Passport", Ministry of Industry and Trade, EEC and other involved parties. Largely due to the AMC efforts, the date of the mandatory EPTS introduction was postponed to November 2019. The Committee will continue monitoring the development of the EPTS systems in close cooperation with the responsible state bodies and AO "Electronniy Passport" and will act in the interest of its members.

Technical Regulations of the Customs Union, TR CU 018/2011, "On the safety of wheeled vehicles" which entered into force on 01.01.2015 remained on the agenda of the Committee throughout the year 2018. The Committee closely worked with the government authorities over the improvement of motor vehicles certification system. In particular, the Committee actively participated in round table discussions with Rosstandart, Minpromtorg, and Certification bodies addressing all important issues of the practical application of the TR CU 018/2011, "On the safety of wheeled vehicles". Replacement of the national standards on ERA-GLONASS by the interstate standards will remain on the agenda of the Committee along with the changes in the roll-over GOST.

In 2018 the AMC worked at deepening cooperation with the Russian Union of Motor Insurers (RSA) in order to make the process of compensation under OSAGO more transparent and repaired cars safer for the customers. Representatives of the Committee also became members of the dedicated Working Group at the Central Bank. The work to improve the Central Bank Methodology for car repairs will be continued in 2019.

Regulations for labelling of goods (trace and track system introduction) attracted attention of the members due to potential mandatory labelling of spare parts, components, accessories, etc. This topic will be in focus of the AMC activities in 2019.

Special Committee efforts are targeted at establishing the market of electric vehicles and innovative driving technologies. The AMC established good contacts to NTI Avtonet and became a member of the Avtonet Working Group on the legislation for innovative transport development.

The new cars sales market demonstrated strong growth in 2018. The VAT increase by 2% from 1 January 2019 might change the trend and slow down the market. The AMC will continue informing about it through press-releases on a monthly basis. The car sales statistics provided by the AMC is widely used by all automotive and business media in Russia and abroad. Press coverage of issues addressed by the AMC and its activities in general further increased in 2018.

Throughout the year the Committee representatives actively participated in other important events, at which they spoke on behalf of the AMC, such as, "Rosavtodealer-2018", the 102<sup>nd</sup> International Scientific-Technical Conference of the Association of Automobile Engineers "Technical Regulation of the Automotive Vehicles" and others.

AMC nominated representatives to various industry related committees and working groups created by the Ministry of Industry and Trade, the Federal Agency on Technical Regulating and Metrology (Rosstandart), the Federal Agency for Accreditation (Rosaccreditation), TK-056 and others.

An AMC representative participates in the work of the UN EC Working Group on development of the UN rules on a permanent basis.

The Committee continued strengthening its contacts with the national and international automotive associations: European Automobile Manufacturers Association (ACEA), Association of Russian Automakers (OAR), International Organisation of Motor Vehicle Manufacturers (OICA), Association "Russian Automobile Dealers" (ROAD), German Association of the Automotive Industry (VDA), as well as with the local authorities and industry officials.

## AUTOMOTIVE COMPONENTS COMMITTEE

<b>AIM</b>	To unite and lobby for the joint interests of the AEB members in the automotive supplier sector, facilitating meetings with officials, industrial associations and Original Equipment Manufacturers (OEMs), supporting networking and exchange of contacts within the industry and helping companies establish working contacts with car plants.	
<b>CHAIRPERSON</b>	<b>Andrey Kossov</b> , Commercial Manager Russia, Johnson Matthey	
<b>DEPUTY CHAIRPERSON</b>	<b>Alexey Belyaev</b> , Sales Manager, Faurecia	
<b>AEB MEMBER COMPANIES</b>	Atlas Copco; BASF; Benteler; Cesar Satellite; Continental Automotive Systems Rus; "Delphi Samara"; Deloitte; DLA Piper; Dow Corning; DSM Group; DuPont Science and Technologies; FAURECIA Automotive Development; EY; GAZ Group; Gestamp Russia; Henkel; ISG support-GUS GmbH; Johnson Controls Autobatterie GmbH; Johnson Matthey; KPMG; PwC; PPG Industries; Robert Bosch; Russian Automotive Components Limited; Sandvik; Segula Technologies Russia; Solvay S.A.; Volvo Group; Wacker Chemie Rus.	
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>5</b>	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>AEB external events</b>	<b>Date</b>
	4 <sup>th</sup> International Automotive Forum "TIAF 2018 supported by Automechanika" in Kazan	28-30.03.2018
	9 <sup>th</sup> International Moscow Automotive Forum IMAF 2018 in Moscow	28-29.08.2018

### COMMITTEE ACTIVITIES, 2018

The Committee participated in the following important events:

- Auto-2018 conference by Autostat (21-22 February 2018);
- 21<sup>th</sup> Russian Automotive Forum, organised by Adam Smith Conferences (15-16 March 2018);
- Annual meeting with ACEA (Brussels, Belgium) (19 June 2018);
- Forum at MIAS (30 August 2018);
- AAE Conference, Dmitrov (5 December 2018).

#### Development strategy

On 18 January 2016, the President of Russia ordered the Government to elaborate a development strategy for the automotive and auto parts industry up to 2025. The Automotive Industry Development Strategy was approved by Government Order of April 28, 2018 No. 831-r; the document is mostly addressed to vehicles manufacturers.

The key idea of the Automotive Industry Development Strategy is to renovate Russia's fleet of vehicles and to develop advanced technologies, with a particular focus on the need to develop the manufacturing of automotive components. Among the complex challenges are: small share of the exports, poor development rates of autocomponents sector, and lagging behind the global technological trends.

It should be additionally noted that a planning horizon up to 2025 is not strategic for the industry. The projects for which preparation started in 2018 (before the strategy was approved) shall be launched into serial production by early 2020 only, and by 2025 they shall still be in production. Nevertheless, the existence of this strategic document is positively evaluated by all key players.

#### **State regulation of the industry: Government Decree 719-PP**

The effective period of industrial assembly agreements is limited by 2020, while agreements of some manufacturers expired by the end of 2018. Instead a new mechanism of state support is being developed. It is based on draft amendments to the Decree of the Government of the Russian Federation dated July 17, 2015 No. 719 "On the criteria for classifying industrial products as industrial products without analogues manufactured in the Russian Federation". At the present the Draft is under discussion.

The Committee gives a positive overall assessment of the initiatives for the development and support of the automotive industry; however, the Draft obviously requires additional work. In its current wording, the objectives established by the automotive industry development strategy are not plain to be achieved. Further development of the industry is impossible without targeted measures for the development and support of autocomponents manufacturers, the priorities of which shall be determined in the Autocomponents Industry Development Strategy. As for the Autocomponents Industry Development Strategy, the draft is ready, but the final version has not been approved yet.

#### **Automotive components industrial assembly regime**

From 1 July 2018, under the obligations to the WTO, Russia lost the ability to further apply the "industrial assembly" regime in its current form. Thus, Russia was supposed to take appropriate steps from this date to introduce amendments to the EAEU Common Customs Tariff. The Ministry of Industry and Trade of the Russian Federation, in line with Clause 2 of Federal Law No. 190 of July 23, 2013, "On certain measures of state support for individual categories of manufacturers of motor vehicles and parts", developed a draft decree to provide the subsidies to automotive companies to compensate their expenses associated with the increase of duty rates. This draft passed public discussion and interdepartmental approval, and was approved by the Government of the Russian Federation by Decree dated 26.10.2018 No. 1278 to compensate the expenses related to purchases of components in 2018.

#### **Export of automotive components**

In 2017, the Russian automotive market started to grow after a four-year decline. According to the 2018 forecasts, the market will grow by 12-14%. Nonetheless, market still fails to meet investors' expectations, and development of export supplies remains a key factor for automotive components manufacturers who have invested in local production capacities, in order to increase the utilisation of these capacities and to maintain the operations of the enterprises.

## BANKING COMMITTEE

<p><b>AIMS</b></p>	<p>The Banking Committee brings together representatives of international banks and other financial institutions and combines their efforts in order to effectively represent their interests on the Russian market and promote a favourable climate for the operation of international banks in Russia. The Committee aims to:</p> <ul style="list-style-type: none"> <li>• provide a level playing field between local and foreign operators;</li> <li>• provide direct technical policy advice to European and Russian government officials.</li> </ul>
<p><b>CHAIRPERSON</b></p>	<p><b>Mikhail Chaikin</b>, CEO, ING Wholesale Banking in Russia</p>
<p><b>AEB MEMBER COMPANIES</b></p>	<p>American Express Bank; Banca Intesa; Bank Credit Suisse (Moscow); BNP Paribas; Center-invest Bank; Citibank AO; Commerzbank (Eurasija) AO; Credit Agricole CIB AO; Danske Bank Russia; DEG Representative Office Russian Federation; Deutsche Bank Ltd.; European Bank for Reconstruction and Development (EBRD); HELLENIC BANK PCL; HSBC Bank (RR) OOO; ING Wholesale Banking in Russia; KfW IPEX-Bank Representative Office; Mercedes-Benz Financial Services Rus OOO/Mercedes-Benz Bank Rus OOO/Mercedes-Benz Capital Rus OOO; Natixis Bank JSC; Nordea Bank; OTP Bank JSC; Raiffeisenbank AO; Rosbank; Touch Bank, part of OTP Group; UBS Bank, OOO; UniCredit Bank AO; VISA.</p>
<p><b>NUMBER OF COMMITTEE MEETINGS</b></p>	<p><b>7</b></p>

### COMMITTEE ACTIVITIES, 2018

In 2018, the Committee continued cooperation with its key partners:

- The Committee continued to collaborate with the regulator – the Central Bank of the Russian Federation (CBR). The Committee sent a number of letters with comments and proposals on banking regulation and requests for clarifications to the Central Bank (CRS implementation in Russia, cancellation of notary power of attorney, biometric data, the reporting programme Kliko, etc.). In June 2018, the Committee held a meeting with Elvira Nabiullina, Governor of the Central Bank of Russia, to discuss issues related to banking regulation, latest U.S. sanctions, the draft law introducing criminal responsibility for complying to sanctions of foreign states and to agree on possible areas of cooperation in the future. In August 2018, the Committee took part in the meeting organised by the Central Bank and chaired by Dmitry Tulin, First Deputy Governor of the Central Bank, regarding the draft CBR Regulation amending mandatory banking standards (N6).
- Also, the Committee communicated on issues related to banking regulation with the Government, Ministry of Finance, as well as to the Federal Notary Chamber. In July 2018, the Committee held the meeting with representatives of the Federal Notary Chamber and the Central Bank regarding cancellation of notary power of attorney.

To cover specific issues, in 2018 two Working Groups were established within the Committee:

- Working Group on Legal Issues (chaired by Vyacheslav Norenko, HSBC Bank (RR) OOO);
- Working Group on Anti-Money Laundering (AML), Compliance and Internal Control Issues (chaired by Nataliya Velikanskaya, Banca Intesa).

Furthermore, the group of CEO-level representatives of the Committee's member banks held 14 informal meetings and consultations to discuss developments and activities in the banking industry, including a meeting with Francesca Caselli, Economist in the World Economic Studies Division of the Research Department at the International Monetary Fund (IMF), and Gabriel Di Bella, Resident Representative, IMF in the Russian Federation.

In addition, the Committee members and coordinator participated in a number of meetings held by the Working Group on Financial Institutions and Capital Markets of the Foreign Investments Advisory Council (FIAC) and continued to collaborate with it. Also, Committee representatives took part in the seminar "Building the Russian green capital market" organised by the International Capital Market Association and Moscow Exchange in November 2018.



## COATINGS INDUSTRY WORKING GROUP

<b>AIM</b>	To represent and lobby for the interests of coatings industry companies in Russia.
<b>CHAIRPERSON</b>	<b>Peter M. de Groot</b> , General Director, JSC Hempel
<b>AEB MEMBER COMPANIES</b>	Akzo Nobel Coatings LLC; Allnex Belgorod LLC; BASF; Dow Europe GmbH Representation Office; DSM; JSC Hempel; PPG; Resinex; Solvay.
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>3</b>

### WORKING GROUP ACTIVITIES, 2018

In 2018, the Coatings Industry Working Group discussed the overall investment climate and how to deepen the level of localisation. Special concerns for participants are the criteria for purchasing local chemical and coatings products used by PAO "Gazprom".

The Working Group participated in the meetings at the Ministry of Industry and Trade of Russia headed by S. Tsyb, Deputy Minister of Industry and Trade, and contributed to development of a road-map for the industry initiated by Minpromtorg, and the process of amending technical regulation for coatings industry.

The Working Group member companies also seek to eliminate counterfeit products existing on the market and sold by their names.

## COMMERCIAL VEHICLES COMMITTEE

<b>AIM</b>	To support the joint interests of Committee members and increase the power of its members above the sum of their individual powers, lobbying for active involvement in all decision making processes affecting commercial vehicles industry, promoting free trade and supporting a fair and reliable business environment, contributing to the prosperous and sustainable growth of the Russian economy.	
<b>CHAIRPERSON</b>	<b>Andrey Chursin</b> , CEO, Scania	
<b>AEB MEMBER COMPANIES</b>	DAIMLER KAMAZ RUS; FCA Russia; Ford Sollers Holding; HINO Motor Rus; Iveco Russia; Isuzu Rus; GAZ Group; MAN Truck & Bus RUS; Mercedes-Benz Rus; Nissan Manufacturing Rus; Peugeot Citroën Rus (Peugeot/Citroën); Renault Russia; Scania Rus; Sollers; Volkswagen Group Rus; Volvo Vostok.	
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>6</b>	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>AEB external events</b>	<b>Date</b>
	4 <sup>th</sup> International Automotive Forum "TIAF 2018 supported by Automechanika" in Kazan	28-30.03.2018
	9 <sup>th</sup> International Moscow Automotive Forum IMAF 2018 in Moscow	28-29.08.2018

### COMMITTEE ACTIVITIES, 2018

The Committee participated in the following important events:

- Auto-2018 Conference by Autostat (21-22 February 2018);
- 21<sup>th</sup> Russian Automotive Forum, organised by Adam Smith Conferences (15-16 March 2018);
- Glonass Forum (24-25 April 2018);
- Annual meeting with ACEA (Brussels, Belgium) (19 June 2018);
- Moscow Urban Forum: Autonomous driving (17 July 2018);
- Forum at MIAS (30 August 2018);
- AutoNet Forum (02 November 2018);
- Transport week (23 November 2018);
- Urban Mobility Forum (30 November 2018);
- AAE Conference, Dmitrov (5 December 2018).

The Commercial Vehicles committee (CVC) was founded at the end of 2008 as a spin-off of the Automobile Manufacturers Committee (AMC) in order to focus on specific needs of the commercial vehicles manufacturers in the Russian Federation.

Main issues discussed within the Committee in 2018:

### **Development strategy of the motor vehicle industry until 2025**

On 28 April 2018, the Chairman of the Government of the Russian Federation Dmitri Medvedev approved the Development Strategy of the Motor Vehicle Industry of the Russian Federation until 2025 by signing Government Decree No. 831-r dated April 28, 2018. The Committee states that it is necessary to:

- consider an effective market (real competition, transparent and predictable “rules of the game”) as one of the criteria for successful implementation of the strategy;
- stimulate the establishment of alliances of Russian manufacturers with global industry leaders and support them;
- include detailed measures in the Strategy to create a supplier base and develop substantial government support measures for these suppliers;
- consider the efficiency of nationally produced commercial vehicles (in terms of fuel consumption, reliability, safety, etc.) as one of the key criteria for evaluating the successful implementation of the Strategy and stimulate it with government support measures.

### **Introduction of an electronic passport system for vehicles**

Committee members are actively involved in the implementation of the electronic vehicle passport (EPTS) system and, together with all project participants, gradually carry out activities aimed at making a full transition to EPTS system when launching local production vehicles as well as and when importing cars into the territory of the Customs Union. It is necessary to ensure:

- the compatibility of the EPTS and electronic VTA systems in a dialogue with vehicle manufacturers;
- include information about the vehicle owner in the list of required fields for the EPTS;
- ensure uninterrupted operation of the EPTS system no later than six months before the expiry date of paper PTSs.

## COMPLIANCE & ETHICS COMMITTEE

<p><b>AIMS</b></p>	<ul style="list-style-type: none"> <li>• To serve as a place where professionals from AEB member companies and different external stakeholders (incl. state bodies) can share and promote best practices via informational briefings, seminars, reports, regular compliance cases updates.</li> <li>• The key tasks are to assist AEB members: i) to comply with their obligations under the international and local requirements in compliance area; ii) to facilitate, promote, monitor and aim to secure the implementation of the best compliance programme and policies; iii) to foster the international understanding of applicable laws, including but not limited to laws addressing corruption, bribery, trade controls, and fair competition. Areas of interest include business ethics, regulatory issues, internal controls, governance and risk assessment and mitigation.</li> </ul>
<p><b>CHAIRPERSON</b></p>	<p><b>Anton Subbot</b>, Partner, Baker McKenzie</p>
<p><b>DEPUTY CHAIRPERSONS</b></p>	<p><b>Grigory Khoroshukhin</b>, Compliance Officer, Robert Bosh LLC; <b>Elena Zheltovskaya</b>, Compliance Director, AstraZeneca Pharmaceuticals LLC</p>
<p><b>AEB MEMBER COMPANIES</b></p>	<p>Akzo Nobel Coatings LLC; AIG Insurance Company, JSC; Air France; ALD Automotive LLC; ALRUD Law Firm; AstraZeneca Pharmaceuticals LLC; Baker McKenzie; BEITEN BURKHARDT Moscow; BNP Paribas CARDIF Insurance company; Boehringer Ingelheim; BRAND &amp; PARTNERS LLC; Caterpillar Eurasia LLC; Center-invest Bank; Continental Tires RUS LLC; Control Risks; Credit Agricole CIB AO; CRH; Danone Russia; De Lage Landen Leasing; Dentons; DHL Express; Egorov Puginsky Afanasiev &amp; Partners (EPAM); EY; Ford Sollers Holding LLC; General Motors Russia &amp; CIS LLC; HSBC Bank (RR) LLC; IKEA DOM LLC; John Deere Rus, LLC; Kuehne+Nagel; LANXESS LLC; Legrand Group; M.Video; MAN Truck &amp; Bus RUS LLC; Mannheimer Swartling Ryssland Advokataktiebolag; Mercedes-Benz Financial Services Rus LLC/Mercedes-Benz Bank Rus LLC/Mercedes-Benz Capital Rus LLC; Mercedes-Benz Russia; Norton Rose Fulbright (Central Europe) LLP; Novo Nordisk A/S; Oriflame; Pepeliaev Group, LLC; Philips LLC; Porsche Russland; PSA Group (Peugeot Citroën Rus); Repsol Exploracion S.A.; Risk Advisory Group Plc.; Robert Bosch LLC; Rockwool; Rödl &amp; Partner; Scania-Rus LLC; Schneider Electric; Siemens LLC; SOCIETE GENERALE Strakhovanie Zhizni LLC; Thomson Reuters; Tinkoff Online Insurance, JSC; Total E&amp;P Russie; United Technologies International Operations, Inc., Representative Office; Urus Advisory Ltd.</p>
<p><b>NUMBER OF COMMITTEE MEETINGS</b></p>	<p><b>5</b></p>

## COMMITTEE ACTIVITIES, 2018

On 13 April 2018, the AEB Compliance & Ethics Committee, Human Resources Committee and IT & Telecom Committee organised a joint meeting entitled "New EU General Data Protection Regulation (GDPR) and its adaptation to local realities". The meeting provided a platform for the discussion of possible impact of the EU GDPR, which was adopted in 2016. The main topics discussed were: what is GDPR, GDPR as a part of European law reform – Digital Single Market, GDPR's application field communicated by ISACA and Roskomnadzor, GDPR's mechanisms, guidelines for SMEs on the security of personal data processing by ENISA.

On 12 July 2018, the AEB Compliance & Ethics Committee, HR Committee and IT & Telecom Committee held its open event "EU General Data Protection Regulation (GDPR): implementation experience". Regulation (EU) 2016/679, the European Union's new GDPR, governs the processing of personal data by any EU party. It also addresses the transfer of personal data outside the EU and EEA areas. The GDPR aims primarily to materially enhance the control by citizens and residents over their personal data and at the same time to simplify the regulatory environment for international business. The event provided a platform for discussion of the most important challenges in the process of implementing the GDPR. The feedbacks from the companies across the range of industries provided useful insights into the complex and often resource-intensive process for the Regulation's implementation. The meeting illustrated the numerous challenges for companies in the interaction between the GDPR and other laws and regulations (both EU and third countries), especially in domains where the co-existence of different requirements may create a conflict of organisations' legal obligations.

On 14 September 2018, the AEB Compliance & Ethics, HR, and IT & Telecom Committees took part in the video conference on EU GDPR with the representatives of the European Commission.

On 5 October 2018, the AEB open event "EU General Data Protection Regulation (GDPR): sharing best practices" was held. The event was jointly organised by the AEB Compliance & Ethics, HR, and IT & Telecom Committees.

## CONSTRUCTION EQUIPMENT COMMITTEE

<b>AIMS</b>	The AEB Construction Equipment Committee serves as a platform for foreign manufacturers of construction equipment to discuss common issues and opportunities and acts, where appropriate, as a representative of its member companies on common industry concerns. The Committee works to promote safety, good business practice and sustainability.	
<b>CHAIRPERSON</b>	<b>Andrey Komov</b> , Managing Director, Volvo Construction Equipment Russia & CIS, Volvo Vostok	
<b>AEB MEMBER COMPANIES</b>	Atlas Copco; Caterpillar Eurasia; CNH Industrial (Russia) Commercial Operations; Doosan Infracore Co.; Hitachi Construction Machinery Eurasia Sales; Hyundai Heavy Industries; JCB; John Deere Agricultural Holdings; Komatsu CIS; Liebherr-Russland; Volvo Vostok.	
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>6</b>	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>AEB external events</b>	<b>Date</b>
	bauma CTT Russia "Construction equipment industry in transformation: drivers of success"	05.06.2018

### COMMITTEE ACTIVITIES, 2018

The Committee participated in the following important events:

- bauma CTT Russia "Construction equipment industry in transformation: drivers of success", Moscow (5-8 June 2018);
- CECE Congress, Rome (17-19 October 2018).

The Construction Equipment Committee (CEC) was established in February 2008 to unite and represent the interests of the CE industry players in Russia.

Retail sales statistics are considered as crucial data by all CE manufacturers. The AEB Construction Equipment Committee's statistics programme has proven its efficiency since its inception in 2008. Today, such companies as Bell Equipment, Caterpillar, Chetra, CNH, Doosan, Hitachi, Hyundai Heavy Industries, JCB, John Deere, Komatsu, Kraneks, Liebherr, RM-Terex, Volvo are highly satisfied with the results of the programme. The reports are available within the Russian Federation at both the federal and regional levels. It is also worth mentioning that the Committee also started reporting on Kazakhstan in January 2014.

The main issues discussed within the Committee in 2018:

#### Disposal fee

In 2015, the market fell by 65% compared to 2014. In 2016, the decline continued and amounted to about 10%, partly because of the introduction of disposal fees. In 2018, the market grew by 31%. Still, this volume was on the level of 76% of 2013.

Nevertheless, the government introduced 15% increase of utilization fee in June 2018.

The Committee believes that, in the long run, the resulting increase in equipment prices will have a negative impact on the Russian economy. In the short term there is a threat that some types of equipment, especially those that do not have analogues produced in Russia, may disappear from the market.

### **Localisation**

The Committee took active part and worked with the Ministry of Industry and Trade of the Russian Federation to amend Decree No. 719 "On approval of the criteria for classifying of industrial production to products which have no analogues produced in the territory of the Russian Federation, as well as the criteria for classifying industrial production to products produced in the territory of the Russian Federation". The work will be continued to allow optimal localisation levels in business operations, which are subject to the efficiency of capital investment and market conditions. As part of it, a working group within the Federal Antimonopoly Service was created to analyse Decree No. 719. The Committee will continue to cooperate with the Ministry of Industry and Trade to amend Decree No. 719.

The Committee collaborates with several national construction equipment industry associations. The AEB CEC is a member of the Committee for European Construction Equipment (CECE), and cooperates with the Korea Construction Equipment Association (KOCEMA).

## CONSTRUCTION INDUSTRY & BUILDING MATERIAL SUPPLIERS COMMITTEE

<b>AIMS</b>	<ul style="list-style-type: none"> <li>• Platform for communication between members of the Committee.</li> <li>• Representation of European companies for construction and building material suppliers in Russia (in private, governmental and non-governmental organisations).</li> <li>• Communication within and outside the Committee on general and specific questions.</li> </ul>
<b>CHAIRPERSON</b>	<b>Vitaly Bogachenko</b> , Head of Corporate Affairs, LafargeHolcim
<b>DEPUTY CHAIRPERSON</b>	<b>Irina Sadchikova</b> , Marketing and Strategy Development Director, Rockwool Russia
<b>AEB MEMBER COMPANIES</b>	Ariston Thermo Rus; ARKEMA SA; BASF; Bayer JSC; Bekaert N.V.; CRH; Dow Europe GmbH Representation office; DuPont Science and Technologies; FlaktGroup; Freudenberg Performance Materials Group; HeidelbergCement Rus; Henkel Rus OOO; Knauf Group CIS (OOO Knauf Gips); LafargeHolcim; Legrand Group; ROCA; Rockwool; Ruukki Construction; Saint-Gobain CIS; Siemens LLC; Uponor; Wienerberger; YIT.
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>12</b>

### COMMITTEE ACTIVITIES, 2018

The AEB Construction Industry & Building Material Suppliers Committee represents within the AEB a variety of businesses with very heterogeneous industrial and commercial backgrounds and with a diversity of interests but with the construction materials as a common bound. This Committee was established in 2010 in the belief that there are many matters that need to be monitored and shared and initially it was mostly addressed to producers of building materials.

In 2018, the Committee's efforts concentrated on building a common position on the following issues:

- application of the advanced construction technologies and materials for development of road infrastructure in Russia;
- fire safety in shopping malls;
- certification of cements, special types of cements;
- acoustic comfort standards in residential and commercial buildings;
- criteria for classifying objects that have a negative impact on the environment;
- protection of the Russian market from the counterfeited products;
- the lack of human resources and ergonomics in the construction industry;
- support for enterprises that collect and recycle used glass;
- the high cost of transporting materials and distribution of penalties for violating traffic rules;
- energy efficiency in construction;
- gas supply in Russia.

During 2018, the Construction Industry & Building Material Suppliers Committee and the Heating Systems Manufacturers Working Group held several joint events with the AEB Committees:



- “Get ready for the 2018 FIFA World Cup Russia!” Conference (18.04.2018)
- “Smart living, smart working” open event (18.05.2018)
- “Industrial fire safety” round table (04.10.2018)
- “Intersec Forum Russia” (08.11.2018)

Committee members strongly believe that a dialogue between the experts with different backgrounds on the one side, and the government officials on the other side could bring benefit to the Russian construction practice.

In 2018, the Heating Systems Manufacturers, the Working Group of the Committee, continued to conduct its sales statistics.

## CROP PROTECTION COMMITTEE

<b>AIM</b>	The aim is to establish a consolidated position on key issues affecting the industry and to lobby for CPC interests by interacting with Russian governmental authorities, public institutions and business associations.
<b>CHAIRPERSON</b>	<b>Jonathan Brown</b> , Head of Commercial Unit Russia, Syngenta
<b>DEPUTY CHAIRPERSON</b>	<b>Anton Basov</b> , EM Operations Leader, DuPont Science and Technologies
<b>AEB MEMBER COMPANIES</b>	ADAMA; BASF; Bayer; DuPont Science and Technologies; Syngenta.
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>6</b>

### COMMITTEE ACTIVITIES, 2018

A consolidated presentation "Innovative development in plant growing: the main directions" on behalf of the CPC was made by the Committee Chairperson J. Brown at the Annual International Conference "Pesticides 2018" organised by CREON Chemicals on 26 September 2018.

#### Localisation of CPP production in Russia

CPC presented its consolidated position on the localisation of CPP production in Russia and its criteria at the meetings with A. Orlov, Deputy Head of Department of Chemical Engineering and Timber Processing Complex of the Ministry of Industry and Trade, in April and September 2018.

A consolidated presentation "Effective localisation of production of plant protection products in Russia" on behalf of the CPC was made by A. Basov, Committee Deputy Chairman, in the framework of the joint event of the AEB Committees "Localisation of production in agro-industrial complex: positive experience, conditions and barriers, criteria for specific industries" at the AEB Day in Krasnodar on 28 November 2018.

#### Anticounterfeit activities

On the CPC initiative the website protectcrop.ru was created and launched in August. It is intended to provide information about current efforts to combat counterfeit CPP, legislative changes, effective measures, positive Russian and European experiences, and news.

Committee representatives continue their participation in the meetings held by the Expert Council on the State Commission on combating illegal turnover of industrial products.

CPC members have been working on studying and elaborating ways for implementation of infrared method to define counterfeit CPP supported by the European Crop Protection Association.

#### Container Management Scheme

A consolidated presentation was made on behalf of 2 associations – the AEB and the Russian Union of CPP manufacturers – on the status and prospects of the process for the collection and recycling containers from pesticides in Russia "Ecologisation of pesticides' usage: positive experience of fulfilling the responsibility for the collection and recycling of pesticide containers by CPP producers" in the framework of the seminar organised by the Federal State Budget Institute "Russian Agricultural Centre" (Rosselkhozsentr) in Voronezh on 8 February 2018.

## CUSTOMS & TRANSPORT COMMITTEE

<b>AIMS</b>	<ul style="list-style-type: none"> <li>• To lobby for the concerns of member companies through a dialogue with the Federal Customs Service and other governmental bodies of the Russian Federation and to promote the application of industry standards in accordance with the best international business practices and trade facilitation principles.</li> <li>• To provide AEB members with quality information on developments in customs regulations and facilitate focused business networking.</li> </ul>	
<b>CHAIRPERSON</b>	<b>Dmitry Cheltsov</b> , General Delegate, IRU Permanent Delegation to Eurasia	
<b>DEPUTY CHAIRPERSONS</b>	<b>Wilhelmina Shavshina</b> , Legal and Business Development Director, Head of International Trade Practice, DLA Piper; <b>Sergei Gusev</b> , Customs Manager & Technical Regulation Advisor, Electrolux.	
<b>AEB MEMBER COMPANIES</b>	Arivist; Arkema; Atlascopco; BAT; Bayer; BLG Logistics Solutions; Bonduelle; Bryan Cave Leighton Paisner (Russia) LLP; BSH Bytowyje Pribory; Cargill; CMS Russia; Danone Russia; Delphi Samara JV; Deloitte; Dentons; DHL Express; DHL Global Forwarding; DLA Piper; DuPont; EY; Electrolux; Groupe SEB Vostok; FordSollers; Ferrero; FM Logistic; Harley Davidson; IKEA; IRU; Itella; Jaguar Land Rover; JCB; JURALINK; JTI; Knauf International; KPMG; Lamberti; Leroy Merlin; MAN; LIEBHERR-RUSSLAND; Michelin; NAWINIA; Nestle; Nike; Nissan Manufacturing RUS; OBI; Pepeliaev Group; PwC; Parkline Logistics; P&G; PSA Group; Philips; Philip Morris; Renault RUSSIA; Roca; Saint-Gobain; Scania; Schneider Electric; Shell; Siemens; TNT; Toyota; TABLOGIX; VOLKSWAGEN Group Rus; Volvo; Zentis.	
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>8</b>	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>AEB events</b>	<b>Date</b>
<b>AEB OPEN EVENTS ORGANISED</b>	Joint event of the AEB and JETRO on customs regulation	18.01.2018
	The AEB Annual Customs Conference "Customs and business: ten steps toward each other"	21.02.2018
	Briefing by Mukai A. Kadyrkulov, Minister for Customs Cooperation, Eurasian Economic Commission	14.03.2018
	Open joint event of the AEB CTC and AEB PCAC on procedure of importing samples for testing purposes and customs control in compliance with requirements of technical regulations in terms of labelling, with participation of the Federal Customs Service and the Federal Accreditation Service	16.03.2018
	The Ninth Northern Dimension Forum "How to succeed in the new economy? New mindset, management models and business processes" – round table "Transport and logistics"	05.04.2018

<b>AEB OPEN EVENTS ORGANISED</b>	Sitan of "Delovaya Rossiya" on customs regulation	09.04.2018
	Joint event of the AEB CTC and transport and logistics companies of Lithuania	14.04.2018
	Joint event "Get ready for the 2018 FIFA World Cup Russia!"	18.04.2018
	Round table discussion with participation of Nikita Zolkin, Ministry of Finance of Russia	11.10.2018
	Open joint event of the AEB CTC, Japan Business Club, JETRO	22.11.2018
	Joint event of the AEB CTC and the European Customs attachés in Moscow	12.12.2018
	Official visit of the delegation of the Eurasian Economic Union, headed by Mukai A. Kadyrkulov, Minister for Customs Cooperation, EEC, to Porsche AG (company that has a status of an authorised economic operator) in Stuttgart, Germany	20.12.2018
	Meeting with Mukai A. Kadyrkulov, EEC Minister for Customs Cooperation, and Hans Josef Haas, Vice-President of the Central Customs Authorities, Bonn, Germany	21.12.2018
	<b>AEB external events</b>	
	Joint meetings on customs regulation with Opora Rossii, Delovaya Rossiya, CCI, RSPP	01.02.2018 13.03.2018 22.05.2018 18.06.2018 14.09.2018 24.10.2018 28.11.2018 19.12.1018
	Russian Business Week organised by RSPP	06.02.2018
	Round table organised by DLA Piper and the North-Western Customs Directorate "Customs administration: new rules of the game"	08.02.2018
	Meeting with representatives of the Public Council of the Federal Customs Service on customs matters	15.03.2018

<b>AEB OPEN EVENTS ORGANISED</b>	EEC Business Dialogue	16.03.2018
	International Conference on the Protection of Intellectual Property Rights by Customs Authorities	26.03.2018
	The Federal Customs Service public discussion of practical implementation of customs legislation	09.04.2018 11.07.2018 19.12.2018
	Meetings in the Ministry of Finance on improvement of new Law on Customs Regulation	18.04.2018 27-28.04.2018 15.05.2018 30.05.2018 08.06.2018 20.06.2018
	Meetings in the State Duma on improvement of new Law on Customs Regulation	25.04.2018 16.05.2018 31.05.2018 01.06.2018
	Meeting with the Eurasian Economic Commission and Customs Attaché of France regarding the official visit of AEB/EEC to Renault, AEO, France, and meeting with the Customs Authorities of France	06.06.2018
	Expert-Advisory Council on improvement of customs regulation on the territory of the Russian Federation with participation of Vladimir Bulavin, Head of the Federal Customs Service, Heads of FCS Departments	13.07.2018 14.12.2018
	The Eurasian Economic Commission event on labelling of authorised economic operator goods and other related customs procedures	04.09.2018
	EEC meeting on discussion of the Customs Declaration Form	09.09.2018
	Round table on non-tariff customs regulation: EAC labelling and procedure of importing samples for testing purposes Meeting with T. Maksimov, Deputy Head of the Federal Customs Service, S. Shklyayev, Head of Directorate on trade restrictions, currency and export control, the Federal Customs Service	19.09.2018
	Meeting with N. Zolkin, Deputy Head of Tax and Customs Tariff Policy Department, on discussion of the AEB CTC proposals on the Governmental Decree customs duty rates for customs operations related to the release of goods	27.09.2018 16.10.2018

<b>AEB OPEN EVENTS ORGANISED</b>	RSPP round table on transport and logistics (stamp of customs on transit transport declaration)	15.10.2018
	International Customs Forum	24-25.10.2018
	AEB CTC Meeting with Fernando Perreau de Pininck, Head of Unit Trade facilitation, Rules of Origin and International Coordination, of DG TAXUD of the European Commission; Thomas Kuchtik, EU Delegation to Russia	25.10.2018
	Meeting with Minec regarding customs procedure of the reusable containers in EAEU	05.11.2018
	Meeting with N. Zolkin, MinFin, and the Federal Customs Service regarding customs value control and freight deduction	07.11.2018
	Eurasian Economic Commission session of meetings on customs transit procedure in the Eurasian Economic Union	19-21.11.2018
	Meeting with Mukai A. Kadyrkulov, EEC Minister for Customs Cooperation, on transit of the goods under the sanctions of Russia through the territory of EAEU	21.11.2018
	Expert-Advisory Council on customs value regulation	16.11.2018
	Expert-Advisory Council on customs law enforcement activities	27.11.2018 07.12.2018
	The first meeting of the Standing Commission for Streamlining Customs Administration and Information Technologies of the Expert-Advisory Council for Implementation of the Customs Policy under the Federal Customs Service	07.12.2019
	Public Chamber of the Federal Customs Service meeting	11.12.2018

## COMMITTEE ACTIVITIES, 2018

On 21 February 2018, the 14<sup>th</sup> Annual Conference "Customs and business: 10 steps toward each other" was held in the Tchaikovsky Hall of the Four Seasons Moscow Hotel. Dmitry Cheltsov, Chairman of the AEB Transport & Customs Committee, and Head of the Eurasian Representative Office of IRU, moderated the Plenary Session. Frank Schauff, AEB CEO, delivered a welcome speech to the conference participants. Vladimir Bulavin, Head of the Russian Federal Customs Service; Timur Maksimov, Deputy Head of the Russian Federal Customs Service; and Leonid Lozbenko, Head of the Public Council of the Russian Federal Customs Service, also spoke at the Plenary Session. After the session, Frank Schauff signed the Declaration of recognition and support of the Charter of the good faith foreign trade participants. The CEO

pointed out that, by signing the Declaration, the AEB was acknowledging the need for initiatives and measures aimed at implementing anti-corruption programmes and conscientiously engaging in foreign trade. The Heads of the Federal Customs Service and the AEB concurred that the signing of the Charter by AEB companies was a good opportunity for them to demonstrate their support of the efforts of the Federal Customs Service and foreign trade participants aimed at creating favourable conditions for foreign trade and its sustainable development. The Charter is a form of collective agreement stating the commitment of businesses to perform foreign trade activities in a law-abiding manner. The customs authorities, in turn, foresee the possibility of providing additional simplifications and efficiencies for those undersigned.

On 14 March 2018, Mukai A. Kadyrkulov, Member of the Board, Minister for Customs Cooperation, Eurasian Economic Commission, gave a briefing that was organised by the AEB Customs & Transport Committee.

On 26 March 2018, the AEB Customs & Transport and Product Conformity Assessment Committees held an open event with Sergei Shklyaev, Head of Directorate on trade restrictions, currency and export control, the Federal Customs Service, and Sergei Migin, Deputy Head of the Federal Accreditation Service.

On 5 April 2018, the AEB Customs & Transport Committee traditionally organised a round table "Transport and logistics" within the Ninth Northern Dimension Forum, which was held in St. Petersburg. It was chaired by Alexey Mordashov, Chairman of the Board of Directors PAO "Severstal", Co-Chairman of the Northern Dimension Business Council, and Rolf Jansson, President and CEO, VR Group, Co-Chairman of the Northern Dimension Business Council (NDBC).

On 1 June 2018, the AEB Customs & Transport Committee experts participated in the final discussion of the draft Law "On customs regulation" before its first hearing in the State Duma. The meeting was chaired by Andrey Makarov, Head of the State Duma Committee for Taxation and Budget, and Iliya Trunin, Deputy Minister of Finance.

On 11 October 2018, the AEB Customs & Transport Committee held a meeting with Nikita Zolkin, Deputy Head of Tax and Customs Tariff Policy Department, Ministry of Finance.

AEB representatives took part in the International Customs Forum organised by the Federal Customs Service, which was held on 24-25 October 2018 in Moscow in the World Trade Centre.

On 22 November 2018, the AEB Customs & Transport Committee, Japan Business Club Customs Committee and Japan External Trade Organisation (JETRO) held its fifth annual round table to discuss actual issues in customs regulation and exchanged opinions on practical aspects related to risk management system, rating system of foreign trade participants, responsibility of a declarant for customs rules violation, technical regulation and certification systems in the Eurasian Economic Union. The AEB Customs & Transport Committee, JETRO and JBC agreed to continue the well-established constructive collaboration and regular meetings on an expert level.

On 11 December 2018, Dmitry Cheltsov, AEB Customs & Transport Committee Chairman, took part in the first meeting of the Public Council under the Federal Customs Service as a member of the FCS Public Council.

On 20-21 December 2018, the AEB organised an official visit to Germany for a delegation of the Eurasian Economic Commission (EEC), headed by Mukai A. Kadyrkulov, EEC Minister for Customs Cooperation, in order to share the best European practices in the field of customs regulation, namely, customs control, simplification of customs procedures, benefits of the status of an authorised economic operator exemplified by Porsche AG.

## ENERGY COMMITTEE

<b>AIMS</b>	<ul style="list-style-type: none"> <li>• To support EU-Russia cooperation in the energy sector.</li> <li>• To provide a forum for AEB companies involved in the Russian energy sector to discuss and address matters of common interest.</li> <li>• To maintain relations with the parties directly involved in the Russian energy sector.</li> </ul>	
<b>CHAIRPERSON</b>	<b>Ernesto Ferlenghi</b> , Executive Vice President Market Development Eni for Russia & Central Asia, Eni S.p.A	
<b>DEPUTY CHAIRPERSONS</b>	<b>Jose Luis Tornero</b> , Director, Russia, Repsol Exploracion S.A.; <b>Igor Yampolsky</b> , Deputy Director for Corporate & Government Affairs, Total E&P Russie	
<b>AEB MEMBER COMPANIES</b>	BP Russia; Chevron Neftegaz Inc.; Electricite de France; Enel Russia; Eni S.p.A; ENGIE; Equinor Russia AS; Fortum; Gasunie; MOL Plc; OMV; Repsol Exploracion S.A.; Shell E&P Services (RF) B.V.; Total E&P Russie; Uniper Global Commodities SE; Unipro PJSC; VNG AG.	
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>11</b>	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>AEB events</b>	<b>Date</b>
	AEB Flagship Conference "Priorities for the Russian economy and the European businesses", Panel Session "Russian energy sector: next development cycle" moderated by E. Ferlenghi, AEB Energy Committee Chairman, Executive Vice-President Market Development for Russia & Central Asia, Eni S.p.A. Panelists: T. Mitrova, Head of Energy Centre, Moscow School of Management SKOLKOVO; A. Le Foll, Country Chair, Total E&P Russie; R. Hartmann, Head of Representative Office, Uniper Global Commodities SE; C. Sliker, CFO, BP Russia.	20.06.2018
	<b>AEB external events</b>	
	Russian Energy Week, Panel Session "How to develop cooperation between Russia and the EU in the field of energy and energy efficiency". Panelists: D. Campbell, President, BP Russia; E. Ferlenghi, AEB Energy Committee Chair, Executive Vice-President Market Development for Russia & Central Asia, Eni S.p.A; A. Le Foll, Country Chair, Total E&P Russie	04.10.2018



## COMMITTEE ACTIVITIES, 2018

The AEB Energy Committee acts as an interface of business opportunities and issues of concern to European energy companies operating in the Russian Federation. Therefore, the Committee sustains and develops its links to relevant state authorities in Russia, such as the Russian State Duma, Ministry of Energy, Ministry of Finance and Ministry of Economic Development. The Committee also acts as an interface between the European energy business and Russian companies, such as Gazprom and others.

The AEB Energy Committee sustains its traditional cooperation with bilateral and multilateral entities in Russia, such as the International Business Congress (IBC), Petroleum Advisory Forum (PAF), Foreign Investment Advisory Council (FIAC), promoting active interaction on business-to-business and business-to-government levels. The AEB Energy Committee supports the AEB position as an official partner of the Annual Russian Petroleum and Gas Congress (RPGC) in Moscow and other events supported by the AEB through participation in its programme Committee, delegating its members as Chairmen and Speakers to RPGC. The Committee's activities are focused on energy policy strategic issues, investment climate, energy market conditions, and environmental protection issues, including global climate changes.

This year was marked by intense developing and enhancing of the working relations with the Russian State Duma Energy Committee started by the meeting with its Chairman, P. Zavalny. During the year the Committee members were regularly invited to the hearings and round tables organised by the State Duma Energy Committee.

In 2018 the Committee paid particular attention to tax issues having invited to its meetings the specialists from Big 4; the following questions were also in focus: the Russian gas delivery to European markets; Russia's upstream and downstream performance; Russia's gas strategy; Russia after Presidential elections; EU-Russia Climate and Energy Transition Dialogue; Russian legal framework for RE projects; implementation of power supply systems in remote and isolated areas.

The sanctions were also among the Committee's interests: at the CEOs breakfast V. Efremov, Partner, Baker McKenzie, made a highly appreciated by the participants presentation on "New and expected U.S. sanctions. Second wave of sanctions under CBW Act and DASKAA".

One of the important sources of information and influence tools for the Committee is its regular Position Paper, which is a highly professional document reflecting the views and approaches of the European companies towards the obstacles to making business in Russia and proposing real solutions. The Position Paper is widely distributed among petroleum and energy sector stakeholders both in Russia and abroad, including EU headquarters in Brussels.

The Committee advocates that EU-Russia relations on energy matters should be based on stability in strategic perspectives, mutual advantage and delivery of commitments. Such relations must include a balanced and transparent approach to the security and diversity of energy supply and demand, commercial attractiveness and reciprocity.

Committee members participated in several major events:

- International Investment Forum in Sochi (February 2018);
- RSPP Business week in Moscow (February 2018);
- Krasnoyarsk Economic Forum (April 2018);
- St. Petersburg International Economic Forum (May 2018);

- AEB Flagship Conference "Priorities for the Russian economy and the European businesses" (June 2018), Panel Session "Russian energy sector: next development cycle";
- Innoprom Industrial Exhibition and Forum in Ekaterinburg (July 2018);
- Eastern Economic Forum in Vladivostok (September 2018);
- St. Petersburg International Gas Forum (October 2018);
- FIAC 32<sup>nd</sup> Annual Plenary Session chaired by the Prime Minister Dmitry Medvedev (October 2018);
- VTB Investment Forum "Russia Calling" in Moscow (November 2018);
- Open Innovations Forum in Moscow (October 2018);
- Russian Energy Week, Moscow (October 2018). The panel session "How to develop cooperation between Russia and the EU in the field of energy and energy efficiency" organised by the AEB was moderated by the AEB CEO Frank Schauff, the speakers from the Committee were David Campbell (BP Russia), Ernesto Ferlenghi, Chairman of the AEB Energy Committee (Eni S.p.A), Arnaud Le Foll (Total E&P Russie).

## ENERGY EFFICIENCY COMMITTEE

<b>AIMS</b>	<ul style="list-style-type: none"> <li>• To increase energy efficiency (EE) business opportunities for AEB members, thereby contributing to sustainable EE development in Russia.</li> <li>• To formulate and promote the AEB position on EE in Russia.</li> <li>• To inform and educate AEB members about EE developments in Russia.</li> </ul>	
<b>CHAIRPERSON</b>	<b>Bashir Chalabi</b> , Senior Advisor for Energy Efficiency and Environment, Promaco TR	
<b>AEB MEMBER COMPANIES</b>	ABB; AERECO; Baker McKenzie; BASF; Bayer; BP; BSH Group; CMS Russia; Deloitte; Electricite de France; ENGIE; Equinor Russia AS; Ernst & Young (CIS) B.V.; ESYLUX GmbH; Gasunie; GE; IKEA; Legrand; Lighthouse Group; Noerr; PBN Hill+Knowlton Strategies; Promaco TR; Saint-Gobain; Schneider Electric; Siemens; Total E&P Russie; Unipro; Uponor; Vitus Bering Management Ltd.	
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>7</b>	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>AEB events</b>	<b>Date</b>
	"Waste management: practical experience and new in state regulations" (jointly with SHES Committee)	19.10.2108
	<b>AEB external events</b>	
	Russian Energy Week, Panel Session "How to develop the cooperation between Russia and the EU in the field of energy and energy efficiency" Panelists: E. Benedetti, General Director, Signify; B. Chalabi, Chairman of the AEB Energy Efficiency Committee, Senior Advisor for Energy Efficiency and Environment, Promaco TR	04.10.2018

### COMMITTEE ACTIVITIES, 2018

In 2018, the Energy Efficiency Committee continued to focus on four major work directions outlined in its annual Position Paper: coordination in the EE sphere; communication and PR on EE; technology transfer challenges; EE potential general assessment, as well as the need for additional tax incentives for the projects in the field of energy efficiency.

To keep the members informed about the recent developments in the field, the Committee hosted and co-hosted a series of policy briefings and events with the representatives of government bodies, including the following:

- the Russian State Duma Energy Committee Chairman P. Zavalny;
- Head of the Section at the Economic Development Ministry M. Nikitina;

- Round table “Waste management: practical experience and new in state regulations” (Deputy Head of the Department at the Russian Ministry of Industry and Trade).

For the second year in a row the Committee also closely cooperated with the Energy Ministry in organisation of panel discussion “How to develop cooperation between Russia and EU in the field of energy and energy efficiency” at the Russian Energy Week. Speakers of the panel representing the Committee included E. Benedetti, Signify, and B. Chalabi, Committee Chairman, Promaco TR. The event was attended by the Deputy Ministers from the Russian Ministry of Foreign Affairs and the Russian Energy Ministry.

## FINANCE & INVESTMENTS COMMITTEE

<p><b>AIMS</b></p>	<p>The mission of the Finance &amp; Investments Committee is to assist in and contribute to the ongoing improvement of Russia's investment climate by integrating information and discussions related to critical finance issues of prime importance for foreign companies working in Russia. The Committee serves as a forum for discussion and lobbying, as well as a platform for the exchange of information and ideas concerning finance and investments issues.</p>	
<p><b>CHAIRPERSON</b></p>	<p><b>Stuart Lawson</b>, Senior Advisor, EY</p>	
<p><b>AEB MEMBER COMPANIES</b></p>	<p>ABB; ALD Automotive LLC; ALRUD Law Firm; American Express Bank; American Institute of Business and Economics; Antal; Arval; Auto Partners; Baker Botts L.L.P.; BEITEN BURKHARDT Moscow; BRAND &amp; PARTNERS LLC; Caterpillar Eurasia LLC; Chadbourne &amp; Parke LLP; Citibank AO; Credendo – Ingosstrakh Credit Insurance LLC; Creon Capital S.a.r.l; Danske Bank Russia; De Lage Landen Leasing; Debevoise and Plimpton LLP; Deloitte CIS; Dentons; Deutsche Bank Ltd.; Drees &amp; Sommer; Egorov Puginsky Afanasiev &amp; Partners (EPAM); ERGO Insurance Company; Euler Hermes; European Bank for Reconstruction and Development (EBRD); Experian; EY; FCA Russia AO; Finexpertiza; Gerald Sakuler (individual member); HeidelbergCement Rus; HELLENIC BANK PCL; Hino Motors Sales, LLC; HOGAN LOVELLS (CIS); HSBC Bank (RR) OOO; IBFS Europe GmbH; Inchcape Holding LLC; ING Wholesale Banking in Russia; Intermark Auto; INVESTMENT COMPANY IC RUSS-INVEST; John Deere Rus, LLC; Kia Motors RUS, LLC; Knauf Group CIS (OOO Knauf Gips); KPMG AO; LeasePlan Rus; LegaLife Diaz Reus; Legrand Group; LEROY MERLIN Russia; Liniya Prava Law Firm; MAI Insurance Brokers; MAN Truck &amp; Bus RUS LLC; Mannheimer Swartling Ryssland Advokataktiebolag; Mazars; Mercedes-Benz Financial Services Rus OOO/Mercedes-Benz Bank Rus OOO/Mercedes-Benz Capital Rus OOO; Mercedes-Benz Russia; Messe Frankfurt Rus Ltd.; MosFirst LLC; MOST SERVICE, member of Bruck Consult; Natixis Bank JSC; NOBLE HOUSE Group Russia; Noerr OOO; Norton Rose Fulbright (Central Europe) LLP; OTP Bank JSC; PEAC Leasing AO; Pepeliaev Group, LLC; PSA Group (Peugeot Citroën Rus); PwC; Raiffeisen-Leasing; Raiffeisenbank AO; RH PARTNERS; Rödl &amp; Partner; Rosbank; Rosbank Leasing; Russian Management Hotel Company ltd; Sanofi Russia; Scania-Rus LLC; Schneider Electric; SCHNEIDER GROUP; Segula Technologies Russia LLC; SERVIER; Sponda Russia; TMF Group; UniCredit Bank AO; Uponor; Urus Advisory Ltd.; Vaillant Group Rus LLC; VEGAS LEX Advocate Bureau; Vinson &amp; Elkins L.L.P.; VISA; Volvo Cars LLC; Volvo Vostok NAO; WELBI; YIT; ZURICH RELIABLE INSURANCE, JSC.</p>	
<p><b>NUMBER OF COMMITTEE MEETINGS</b></p>	<p><b>12</b></p>	
<p><b>AEB OPEN EVENTS ORGANISED</b></p>	<p><b>AEB events</b></p>	<p><b>Date</b></p>
	<p>Presentation of the report of the World Bank "A rebalancing China and resurging India: how will the pendulum swing for Russia?"</p>	<p>23.01.2018</p>

<b>AEB OPEN EVENTS ORGANISED</b>	Conference "Get ready for the 2018 FIFA World Cup Russia!" (jointly with the Migration Committee, Construction Industry & Building Material Suppliers Committee, Customs & Transport Committee, Intellectual Property Committee, Retail Trade Committee, Hotels & Tourism Committee, Finance & Investments Committee, Legal Committee)	18.04.2018
	AEB open event "Sanctions: where are we now, what's next?" (jointly with the Legal Committee)	19.04.2018
	Presentation of the results of the AEB annual survey "Strategies and prospects for European companies in Russia" in Moscow	22.05.2018
	Presentation of the results of the AEB annual survey "Strategies and prospects for European companies in Russia" in St. Petersburg (jointly with the North-Western Regional Committee)	23.05.2018
	AEB open event "Sanctions, an evolving story"	28.05.2018
	Briefing by Boris Titov, Presidential Commissioner for Entrepreneurs' Rights	12.10.2018
	AEB open event "SPIC or not SPIC?" (jointly with the Legal Committee)	29.11.2018
	AEB open event "Year-end update on sanctions"	11.12.2018

## COMMITTEE ACTIVITIES, 2018

One of the Committee's key projects in 2018 was the eleventh annual survey "Strategies and prospects for European companies in Russia". The survey has become a highly valuable source of first-hand information that provides an overview of the investment potential and opportunities in Russia and highlights the key challenges faced by AEB member companies, and the strategies adopted while doing business in Russia. The results of the survey were announced on the eve of the St. Petersburg Economic Forum: the official presentation was held on 22 May 2018 in Moscow and on 23 May 2018 in St. Petersburg. The survey and its results were well cited in the media. In November 2018, the Committee held a meeting to discuss how to increase a number of respondents to the survey.

Another important initiative was the publication of the AEB guide "How to invest in Russia". The publication was released on 1 November 2018. It provides updates on business, financial, legal, corporate, tax, environment and other aspects of investment as well as gives an insight into investments by regions and by industries, as well as into opportunities and challenges while localising in Russia. The magazine contains the foreword by Maxim Oreshkin, Minister of Economic Development of Russia, and features the article by the Federal Antimonopoly Service of Russia.

Among other key activities were regular updates on the sanctions and economy. In 2018 the Committee organised two open Committee meetings (in February and September) and three events (in April, May and December) devoted to

developments in the operating environment under the sanctions. Furthermore, Stuart Lawson, Finance & Investments Committee Chairman, participated as a co-moderator in the AEB North-Western Regional Committee event "Sanctions: overview, risks and challenges for European companies" (17 July 2018). The Russian economy and obstacles and perspectives for its development were also widely discussed at the traditional briefing by Boris Titov, Presidential Commissioner for Entrepreneurs' Rights (12 October 2018) and presentation of the report of the World Bank "A rebalancing China and resurging India: how will the pendulum swing for Russia?" (23 January 2018).

The Committee conducted a series of activities devoted to localisation issues: on 23 July 2018, the Committee held an open meeting on special investment contracts (SPIC) with the Industrial Development Fund's presentation with participation of interested Committees; on 29 November 2018, the event "SPIC or not SPIC?" was organised (jointly with the AEB Legal Committee) with participation of Sergey Vologodsky, Deputy Director, Industrial Development Fund (IDF), and Maxim Chereshev, First Deputy Director General, Moscow Region Development Corporation. At the latter event Frank Schauff, AEB CEO, and Sergey Vologodsky, IDF Deputy Director, signed the Memorandum of Cooperation between the IDF and the AEB.

The important event was the 2018 FIFA World Cup Russia and ahead of it the AEB held the full-day conference "Get ready for the 2018 FIFA World Cup Russia!" (organised jointly by several AEB Committees) on 18 April 2018. The event comprised four different sessions and covered practical aspects of economic activities of the AEB member companies in different areas, such as: hospitality and accommodation, migration registration of guests, intellectual property rights, customs and transport, retail trade, construction industry and building material suppliers, legal and others.

In addition to the Committee events, Stuart Lawson, Finance & Investments Committee Chairman, participated as a speaker at the international conference "European investors in production projects in Russia" in the Ministry of Economic Development of Russia (30 November 2018) and as a co-moderator in the briefing by Gabriel Di Bella, Resident Representative of the International Monetary Fund in the Russian Federation, "Russia: recent developments and long-term perspectives" (4 December 2018) and the World Bank briefing based on the World Bank Russia Economic Report "In focus: Russia's economy: preserving stability, doubling growth, halving poverty – How?" (17 December 2018).

To cover leasing issues, within the Finance & Investments Committee there is the Leasing Subcommittee chaired by Maxim Lyalin, Leasing Subcommittee Chairman, Caterpillar Eurasia LLC.

In 2018 within the Leasing Subcommittee, one of the most discussed issues was Federal Law No. 398 dated 20.12.2017 "On amendments to the Federal Law 'On road traffic safety' in part of additional requirements to ensure road traffic safety while carriage passengers and goods by cars and city electric overland" (regarding corporate car fleet). The Subcommittee sent a number of letters, as well as prepared a legal alert on the issue (circulated among the AEB members). Furthermore, the Subcommittee held two open meetings for all interested AEB members (in July and October) in order to discuss and formulate actions to be taken. Several AEB members participated in the meeting organised by the Ministry of Economic Development of Russia and in the meeting with Irakliy Aslamazov, Head of Apparatus of the State Duma's Committee for Transport and Construction, and expressed the position of the business with regard to implementation of the Law. As a result of all joint efforts, the Law 386-FZ was signed on 30 October 2018 which made amendments in the Law 398-FZ (in part of corporate car fleet).

Another important topic within the AEB Leasing Subcommittee was discussion on reforming the leasing industry and the draft law amending parts one, two and three of the Russian Civil Code (introducing a new chapter on financial leasing in the Civil Code). In September 2018, the Subcommittee held a meeting with representatives of the Central Bank to discuss this issue.

Among other issues under discussion were countering fraud and checking counterparties, interaction with bailiffs, tax on movable property, sanctions, electronic passport, monitoring of leasing assets, debt collecting and others. The Subcommittee prepared a number of letters to state authorities.

## FOOD PROCESSING COMMITTEE

<b>AIMS</b>	<ul style="list-style-type: none"> <li>• To bring together and represent the common interests of its members – food processing and ingredients' producing companies.</li> <li>• To contribute to improvement of regulatory framework of the food processing industry through governmental liaison and lobbying activities.</li> <li>• To promote international healthy nutrition standards.</li> </ul>
<b>CHAIRPERSON</b>	<b>Marina Balabanova</b> , Regional VP Corporate Affairs CIS, Danone
<b>AEB MEMBER COMPANIES</b>	Bonduelle; Cargill; Danone; DSM; DuPont Science & Technologies; Ferrero Russia; Herbalife Nutrition; Nestle Rossiya; Perfetti van Melle; Podravka; SAF-Neva; Zeelandia; Zentis Russland.
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>5</b>

### COMMITTEE ACTIVITIES, 2018

In 2018, the Committee's activities were focused on delivering the position of the industry to the relevant authorities on the following issues:

- introduction of mandatory electronic veterinary certification;
- healthy lifestyle promotion;
- regulation of food quality and safety.

The Committee also monitored and discussed various regulatory initiatives related to front-of-pack labelling.

In cooperation with other AEB Committees and Working Groups, the Food Processing Committee commented on governmental track & trace initiatives including marking with control and identification marks (KIZ).



## HEALTH & PHARMACEUTICALS COMMITTEE

<b>AIM</b>	To consolidate, coordinate and protect interests of AEB member companies working in the health and pharmaceutical industry.	
<b>CHAIRPERSON</b>	<b>Yury Litvishchenko</b> , General Manager, Chiesi Pharmeceuticals LLC	
<b>DEPUTY CHAIRPERSON</b>	<b>Ivan Glushkov</b> , Deputy General Director, Stada	
<b>AEB MEMBER COMPANIES</b>	Angelini Pharma Rus; Astellas Pharma ZAO; Astra Zeneca Pharmaceuticals LLC; Bayer ZAO; Binder; Bionorica OOO; Boehringer Ingelheim; Chiesi Pharmaceuticals LLC; DSM Group; DuPont Science and Technologies; EGIS Pharmaceuticals PLC; Esparma GmbH; Fidia Pharma Russia; GE Healthcare; GSK; Merck LLC; Novartis Group Russia; Novo Nordisk A/S; Orion Pharma LLC; Philips LLC; Sanofi Russia; SCA Hygiene products Russia; Siemens Healthcare; Servier; Stada CIS; Takeda Pharmaceutical.	
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>16</b>	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>AEB events</b>	<b>Date</b>
	Round table "Health and pharmaceuticals", Ninth Northern Dimension Forum	05.04.2018
	Official signing of the Recommendations for legislative compliance regarding over-the-counter (OTC) drug advertising by professional associations and manufacturers	07.11.2018
	Round table with Anton Kharitonov, Head of Pharmaceuticals projects, Centre for Advanced Technologies Development (CRPT)	14.06.2018
	<b>AEB external events</b>	
	Round table with Andrey Kirilov, COO, and Anton Kharitonov, Head of Pharmaceuticals projects, Centre for Advanced Technologies Development (CRPT)	05.07.2018
	Yury Litvishchenko and Ivan Glushkov took part in the parliamentary hearings on implementation of T&T system for pharmaceuticals industry	02.07.2018
	Round table with Sergey Tsyb, Deputy Minister of Industry and Trade, regarding implementation of T&T system for pharmaceuticals industry	16.07.2018
	Yury Litvishchenko and Ivan Glushkov took part in the round table: "Big pharma's anticompetitive practice" with the participation of Igor Artemiev, Head of FAS	25.09.2018

## COMMITTEE ACTIVITIES, 2018

In 2018 the following issues were on the radar of the Committee's activities: patient-oriented healthcare model; vital and essential medicines pricing methodology; OTC drugs advertising rules; localisation; implementation of medicines track and trace system; distant trade – to name just a few.

The Medical Devices Working Group was established within the Committee in 2018. The WG agenda and forthcoming activities will cover the following topics: medical devices registration and decriminalisation of process; localisation; SPIC 2.0; service contracts; trade-in model for state procurement; catalogue of goods for state procurement.

One of the Committee's major achievements in 2018 was the completion of a long-running project of setting clear rules for OTC drugs advertising. On 7 November 2018, the official presentation was held on the results of the cooperation between professional associations and the Federal Antimonopoly Service of Russia. This was followed by the signing of the Recommendations for legislative compliance regarding over-the-counter (OTC) drug advertising by professional associations and manufacturers. The aim of the document is to develop a unified practice for preparation of advertising materials and to create guidelines for pharmaceutical companies when working on advertising products. Apart from the AEB, the main professional pharmaceutical and communication associations took part in drafting the document. Andrey Kashevarov, Deputy Head, participated in the ceremony on behalf of FAS of Russia. The AEB was represented by Frank Schauff who signed the document.

In 2018 the Committee continued its dialogue with the major stakeholders: Roszdravnadzor, the Federal Antimonopoly Service, Ministry of Industry and Trade, and the State Duma Committee for Healthcare.

Committee members held a series of meetings with Sergey Tsyb, Deputy Minister of Industry and Trade, as well as the Centre for Advanced Technologies Development (CRPT) that was appointed an operator of traceability system, and discussed the implementation of track and trace project for the pharmaceuticals industry. The issue was also raised at the State Duma expert council meetings at which the Committee members were invited to speak.

On 25 September 2018, the Federal Antimonopoly Service held a round table "Big pharma's anticompetitive practices: BRICKS+ competition authorities' response" within the framework of the Week of Competition in Russia. Yuri Litvishchenko, Charmain of the AEB Health & Pharmaceuticals Committee, General Director, Chiesi Pharmaceuticals, and Ivan Glushkov, Deputy Charmain of the AEB Health & Pharmaceuticals Committee, Deputy General Director, STADA CIS, took part in the discussion on anticompetitive practices of global players. The event was chaired by Igor Artemiev, Head of the Federal Antimonopoly Service.

In 2018 the Committee enhanced the cross-committees cooperation. On 25 October 2018, a meeting on healthy living and increasing lifespan was organised by 4 Committees, namely, Health & Pharmaceuticals, Food Processing, Retail Trade and SHES. The Committees agreed to continue cooperation on this matter in 2019 and prepare a Business Quarterly magazine. On 26 December 2018, the Committee members took part in the AEB meeting on traceability system in Russia. The meeting aimed at defining general position that can be conveyed to the state authorities.

## HOME APPLIANCES MANUFACTURERS COMMITTEE

<b>AIM</b>	To improve business environment for European companies in Russia.	
<b>CHAIRPERSON</b>	<b>Bülent Ayar</b> , BSH Russia	
<b>AEB MEMBER COMPANIES</b>	Ariston Thermo Rus; BEKO; Brother; BSH Bytowije Pribory; Delonghi; Electrolux; Groupe SEB-Vostok; Liebherr; Mitsubishi Electric; Philips; Procter & Gamble; Samsung; Whirlpool.	
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>6</b>	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>AEB external events</b>	<b>Date</b>
	International Roundtable of Household Appliance Manufacturer Associations	08.03.2018
	Participation in the 3 <sup>rd</sup> WEEE Solutions Congress (AEB speakers: F. Schauff, AEB CEO; A. Soldatov, Technical Regulation Manager, BSH)	28.03.2018

### COMMITTEE ACTIVITIES, 2018

In 2018 the AEB Home Appliances Manufacturers Committee among others focused on the issues, mentioned by the members as the most important – energy efficiency labelling, technical regulations, waste management, restriction of hazardous substances regulations, test management and independent product testing as well as enhancement of international cooperation.

In 2018 the AEB became a member of the International Roundtable of Household Appliance Manufacturer Associations (IRHMA) – an informal global forum within which the household appliance industry can discuss global challenges and issues. The Roundtable brings together representatives of home appliance sector from across the globe.

In 2018 the Committee held a series of CEO-level and expert-level meetings. Apart from this, the Committee members were involved in discussions of household appliance testing methods with the representatives of Roskachestvo (Russian Quality Testing Organisation) and the Eurasian Economic Commission. The representatives of the Committee spoke at the 3<sup>rd</sup> WEEE Solutions Congress and discussed recent trends of household appliance recycling trends.

## HOTELS & TOURISM COMMITTEE

<b>AIM</b>	The Hotels & Tourism Committee was established in order to consolidate, coordinate and lobby for the interests of AEB member companies working in the tourism and hotel industries; to exchange information on best practices and the challenges for business on the Moscow hotels market.	
<b>CHAIRPERSON</b>	<b>Armin Eberhard</b> , General Manager, Renaissance Moscow Monarch Centre Hotel	
<b>AEB MEMBER COMPANIES</b>	Ararat Park Hyatt Hotel; Azimut Smolenskaya Hotel Moscow; Barvikha Hotel & Spa; Hotel Baltshug Kempinski Moscow; Hyatt Regency Moscow Petrovsky Park; InterContinental Hotel; Lotte Hotel Moscow; Lotte Hotel St. Petersburg; Marriott Arbat; Metropol Moscow Hotel; Mercure Arbat Moscow Hotel; NOVOTEL MOSCOW CITY; Radisson Royal Hotel; Renaissance Monarch Center Hotel; Ritz Carlton; Russian Management Hotel Company (ACCOR Russia – CIS); Swissotel.	
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>5</b>	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>AEB events</b>	<b>Date</b>
	Open meeting with the Moscow Security Department and Moskomspor, the Moscow Government, on the 2018 FIFA World Cup organisational issues	27.03.2018
	<b>AEB external events</b>	
	Meeting with the Head of Moscow Security Department, Moskomspor, Head of the General Migration Directorate of the Ministry of Internal Affairs, on implementation of electronic registration of guests in hotels	18.05.2018
	Meeting with A. Popova, Head of Rospotrebnadzor, concerning medical tests and preparatory process of hotels for foreign guests accommodation during the 2018 FIFA World Cup Russia	16.05.2018
	Meeting with the Deputy Head of the Moscow Retail Committee, and Head of the Moscow Tourism Committee, regarding the street closure during New Year and Christmas	15.11.2018

### COMMITTEE ACTIVITIES, 2018

On 18 May 2018, the AEB Hotels & Tourism Committee participated in the meeting which was dedicated to the migration registration of guests accommodated in the hotels, and implementation of the electronic system in hotels to transfer guests' data to the Ministry of Internal Affairs for the migration registration purpose. The meeting was chaired by Vladimir Chernikov, Minister of Moscow Government, Head of Moscow Department of Regional Security and Anti-

Corruption, and Dmitry Sergeenko, Head of Migration Directorate of the Ministry of Internal Affairs of Russia in Moscow. During the meeting, the hotels' representatives addressed the questions concerning particularities of migration registration procedure of guests. Since there were a lot of questions related to the technical aspects of data transferring from a hotel to the Ministry of Internal Affairs of Russia, Vladimir Chernikov gave an order to the state-owned public enterprise "Moscow security" together with the Migration Directorate of the Ministry of Internal Affairs in Moscow to connect the hotels to the electronic data transmission system before the 2018 FIFA World Cup Russia.

On 16 May 2018, the AEB Hotels & Tourism Committee met with Rospotrebnadzor of Moscow. The meeting aimed to inform about the requirements of Rospotrebnadzor on sanitary legislation, consumer protection legislation for accommodation facilities, requirements for catering and medical services, as well as additional preventive measures to minimise epidemiological risks during the 2018 FIFA World Cup Russia. The meeting was chaired by Elena Andreeva, Head of Rospotrebnadzor of Moscow.

On 18 April 2018, the AEB organised the Conference "Get ready for the 2018 FIFA World Cup Russia!" which took place at the Metropol Hotel Moscow. Prior to the 2018 FIFA World Cup Russia, the AEB organised a full-day Conference comprising four different sessions which covered the practical aspects of economic activities of the AEB member companies in the different areas, such as: hospitality and accommodation, migration registration of guests, intellectual property rights, customs and transport, retail trade, construction industry and building material suppliers, legal and others. The plenary session was opened by Frank Schauff, AEB CEO, moderated by Armin Eberhard, AEB Hotels & Tourism Committee Chairman, General Director of Renaissance Moscow Monarch Center Hotel, and included the presentation of Andrey Pavlov, Head of Planning Department, and Oxana Tubman, Head of Accommodation Division of the Local Organising Committee. Nikolay Gulyaev, Minister of the Moscow City Government, Head of Moskomspor, spoke about the preparation of the city for the 2018 FIFA World Cup Russia, and Alexey Tikhnenko, Head of Hospitality Division, Moskomspor, informed about the main requirements for accommodation in Moscow hotels. Andrey Romankov, Deputy Head of the Department on Strategic Projects Development, Ministry of Telecom and Mass Communication, presented an important IT project – FAN ID. It is a unique project which was developed particularly for WC FIFA-2018 by Minkomsvyaz. Moreover, the FAN ID provides an opportunity for fans to come to Russia without visa. Thereafter, Irina Shvets, Head of the "Mosvolonter" Centre, informed about the programme of "City Volunteers for the 2018 FIFA World Cup Russia", the number of which was about 6 000 persons, which were involved in this programme in Moscow.

On 2 November 2018, the AEB Hotels & Tourism Committee members held a meeting with participation of Alexei Tikhnenko, Head of Hospitality Division, Moscow Government. They discussed the results of the 2018 FIFA World Cup Russia and further initiatives of the Moscow Government with regard to tourism development. The Hotels & Tourism Committee members expressed their gratitude for the fantastic Championship and the great and safe atmosphere in the Moscow city and in Russia as a whole. They also stressed the necessity of extension of the FAN ID for one more year and a free visa regime at least for 72 hours with a purpose of the tourism industry development in Russia.

## HUMAN RESOURCES COMMITTEE

<p style="text-align: center;"><b>AIMS</b></p>	<ul style="list-style-type: none"> <li>• To develop Russia’s HR market.</li> <li>• To lobby members’ interests for governmental and legislative bodies.</li> <li>• To keep business circles and government institutions in Russia aware of the current state of affairs in this area.</li> <li>• To develop solutions to the HR-related issues faced by foreign companies.</li> <li>• To promote exchange of experiences between foreign and Russian HR specialists.</li> <li>• To assist AEB members in expanding their network and help companies adapt to the Russian business environment.</li> </ul>
<p style="text-align: center;"><b>CHAIRPERSON</b></p>	<p><b>David Gilmartin</b>, General Manager, Troika Relocations</p>
<p style="text-align: center;"><b>DEPUTY CHAIRPERSON</b></p>	<p><b>Irina Aksenova</b>, Deputy Director General, Key Accounts, Coleman Services UK</p>
<p style="text-align: center;"><b>AEB MEMBER COMPANIES</b></p>	<p>Accenture; AEB Honorary Council; AIG Insurance Company, CJSC; Air France; ALD Automotive LLC; Alinga Consulting; Allianz IC OJSC; ALRUD Law Firm; ALSTOM Transport Rus LLC; American Institute of Business and Economics; ANCOR; Andrey Gorodissky And Partners Law Firm; Angelini Pharma Rus LLC; Antal; AstraZeneca Pharmaceuticals LLC; Atlas Copco, JSC; Auchan Russia; Baker McKenzie; Bayer JSC; BEITEN BURKHARDT Moscow; Bonduelle-Kuban LLC; Borenius Russia; BP; British American Tobacco Russia; Bryan Cave Leighton Paisner (Russia) LLP; BSH Bytowyje Pribory OOO; Business Psychologists Ltd. (CEB SHL Russia&amp;CIS); Cargill LLC; CBSD/Thunderbird; Chevron Neftgaz Inc. Moscow Branch; Chiesi Pharmaceuticals LLC; Citibank AO; Coleman Services UK; Continental Tires RUS OOO; Credit Agricole CIB AO; Creon Capital S.a.r.l; Danone Russia; Danske Bank Russia; Delegation of the European Union; DeLonghi; Deutsche Bank Ltd.; DSM; DuPont Science and Technologies; Embassy of the United Kingdom; Epiroc Rus LLC; Equinor Russia AS; Ericsson; Euler Hermes; EY; FENICE RUS LLC; Ferrero Russia; Ferronordic Machines; Foodcard; Gasunie; GfK Rus; H&amp;M Hennes &amp; Mauritz LLC; HELLENIC BANK PCL; Henkel Rus OOO; Hill International; Hino Motors Sales, LLC; Honda Motor RUS LLC; HSBC Bank (RR) OOO; Hyundai Motor CIS; IE Business School; IKEA DOM LLC; ING Wholesale Banking in Russia; Intermark Relocation; International School; IWM; John Deere Rus, LLC; Jungheinrich Lift Truck; KPMG AO; Kuehne+Nagel; Legrand Group; LEROY MERLIN Russia; M.Video; MAI Insurance Brokers; ManpowerGroup Russia &amp; CIS; Mazars; Mazda Motor Rus OOO; Mercuri International; METRO AG Representative office; Michelin; MMC Rus LLC; Morgan Lewis; Move One INC; NAVIEN RUS, LLC; Nissan Manufacturing RUS; NOBLE HOUSE Group Russia; Nokia; Nordea Bank; Norton Rose Fulbright (Central Europe) LLP; Novartis Group Russia; OBI Russia; OMV Aktiengesellschaft; Representative office in Moscow; Orange Business Services; Oriflame; Orion Pharma LLC; Pepeliaev Group, LLC; Philip Morris Sales and Marketing; Porsche Russland; PPG Industries LLC; PSA Group (Peugeot Citroën Rus); PwC; Renaissance Moscow Monarch Centre Hotel; Renault Russia; Repsol Exploracion S.A.; RH PARTNERS; Richemont; Robert Bosch OOO; Rockwool; Rödl &amp; Partner;</p>

<b>AEB MEMBER COMPANIES</b>	Russian Management Hotel Company Ltd; SAFMAR NPF AO; SCHNEIDER GROUP; Segula Technologies Russia LLC; Sergey Frank International; SERVIER; Shell Exploration and Production Services (RF) B.V.; Siemens LLC; Signify; Specta AG; TOTAL VOSTOK LLC; Troika Relocations Ltd.; TSAR VOYAGES; Unipro PJSC; Uponor; Vaillant Group Rus LLC; Viessmann LLC; VISA; Visa Delight; Vitus Bering Management Ltd.; VOLKSWAGEN Group Rus OOO (Audi / Bentley / Lamborghini / Škoda / Volkswagen / Volkswagen Commercial Vehicles), Volvo Vostok NAO.	
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>10</b>	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>AEB events</b>	<b>Date</b>
	AEB open event "EU General Data Protection Regulation (GDPR): implementation experience" organised with the AEB Compliance & Ethics and IT & Telecom Committees	12.07.2018
	AEB open event "Life hacks: adults' conscious learning", organised by the Assessment, Training and Development Subcommittee	27.08.2018
	AEB CEO open meeting entitled "Turning potential into success: the missing link in leadership development"	11.09.2018
	AEB open event "EU General Data Protection Regulation (GDPR): sharing best practices" organised with the AEB Compliance & Ethics and IT & Telecom Committees	05.10.2018
	AEB open event – a round table entitled "In search of a valuable employee: companies' experience in working with graduates and university students" organised by the AEB Recruitment Subcommittee	24.10.2018

## COMMITTEE ACTIVITIES, 2018

The Human Resources (HR) Committee was established in 1995. At the present, there are five Subcommittees: the Assessment, Training & Development Subcommittee, the Compensation & Benefits Subcommittee, the Labour Law Subcommittee, the Recruitment Subcommittee, and the Relocation Subcommittee.

The Committee as a whole is committed to: developing Russia's HR market; lobbying for the members' interests with all necessary governmental and legislative bodies; keeping business circles and government institutions in Russia aware of

the current state of affairs in this area; developing solutions to the HR-related issues faced by foreign companies; promoting the exchange of experiences between foreign and Russian HR specialists; assisting AEB members in expanding their network and helping companies adapt, in general, to the Russian business environment.

The Committee keeps abreast of changes in the Russian labour market, including those influenced by the global economic situation, demographic trends, as well as amendments and additions to the country's legislation. Furthermore, the Committee works hard to contribute to the establishment and further application of the best international HR practices and standards in Russia.

On 13 February 2018, the AEB HR Committee held the 15<sup>th</sup> Jubilee HR Conference entitled "Team spirit 2018". The programme of the Conference was designed to demonstrate similar challenges with respect to strategic goals' achievement, typical for both big sports and HR global practices. The Conference's sessions were focused on the following topics:

- Formation of a global project team and the role of corporate culture for team performance.
- Building a high performing team from scratch.
- Agility in talent attraction, management and assessment.
- Motivation of an effective team: trends and automation paths.
- Russian salary market: main trends and future outlook.
- Digital C&B: why and how to create a useful salary review tool.
- Labour law. Rules of the game for the last season: who will get the yellow card?

The CEO panel "Interaction of CEO and HR Director" was a special session closing the event. The panelists discussed the influence of a productive relationship between CEO and HRD on business efficiency and achieving the company's strategic objectives.



## INSURANCE & PENSIONS COMMITTEE

<b>AIMS</b>	To level the playing field between local and foreign operators in the insurance and pensions sectors, and to provide direct technical policy advice to European and Russian government officials.	
<b>CHAIRPERSON</b>	<b>Alexander Lorenz</b> , Chairman of the Advisory Council, SAFMAR NPF AO	
<b>DEPUTY CHAIRPERSON</b>	<b>Vladimir Sukhinin</b> , CEO Advisor, BNP Paribas CARDIF Insurance company	
<b>AEB MEMBER COMPANIES</b>	AIG Insurance Company, JSC; Allianz IC OJSC; BNP Paribas CARDIF Insurance company; Chubb Insurance Company, LLC; CMS Russia; Credendo – Ingosstrakh Credit Insurance LLC; ERGO Insurance Company; Euler Hermes; EY; General Reinsurance AG; MAI Insurance Brokers; MetLife JSC; Norton Rose Fulbright (Central Europe) LLP; Renaissance pensions; SAFMAR NPF AO; SCOR Moscow Representative Office; SOCIETE GENERALE Strakhovanie Zhizni LLC; SOGAZ Insurance Group; Tinkoff Online Insurance, JSC; VSK Insurance House (SAO VSK); Zetta Insurance Company Ltd.; ZURICH RELIABLE INSURANCE, JSC.	
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>10</b>	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>AEB events</b>	<b>Date</b>
	AEB open event "Sanation of insurers: potential risks and new opportunities" (organised by the AIDA Insurance Legislation Working Group (AIDA Russian Chapter))	16.04.2018
	AEB open event "Online solutions in insurance and pensions"	24.05.2018
	AEB open event "Branches of foreign insurance companies in Russia: in search of a balanced approach to regulation" (organised by the AIDA Insurance Legislation Working Group (AIDA Russian Chapter))	12.11.2018
	AEB open event "New stage of pension reform: challenges and solutions"	23.11.2018

## COMMITTEE ACTIVITIES, 2018

In 2018, the Committee continued to develop cooperation with key state partners.

- The Committee strengthened its collaboration with the regulator – the Central Bank (CBR), in particular with the Insurance Market Department at the Central Bank. The Committee is in regular communication with the Department. Representatives of the Insurance Market Department took part in the Committee events. In April 2018 the Committee held a meeting with Insurance Market Department representatives to discuss issues related to transition to Solvency Capital Requirements model. Vladimir Sukhinin, Deputy Committee Chairman, and Committee members regularly took part in the meetings and activities of the Central Bank's Expert Council on Insurance.
- The Committee continued its dialogue with the Ministry of Finance of Russia, in particular with the Department for Financial Policy, which usually reacts positively to proposals made by the Committee. Committee representatives took part in two meetings organised by the Ministry of Finance to discuss the draft law on branches of foreign insurers (reinsurers) in Russia in accordance with WTO obligations (held on 3 March 2018 and 20 September 2018). Representatives of the Department took part in the Committee events.
- The Committee continued to liaise with the Federal Antimonopoly Service of Russia (FAS Russia). Several Committee representatives are members of the Expert Council on the Protection of Competition in the Financial Services Market (section on the insurance services market) under the FAS Russia.
- The Committee continued its dialogue with the State Duma's Committee on Financial Markets and provided comments and proposals on draft laws related to insurance. Vladimir Sukhinin, Deputy Committee Chairman, is a member of the Expert Council for Legislation on Insurance under the State Duma's Committee for Financial Market, and took part in its activities.

In addition to the above, the Committee cooperated with other stakeholders at the Russian insurance market (All-Russian Insurance Association, Russian National Reinsurance Company, Russian Association of Motor Insurers, Association of Non-State Pension Funds (ANPF); Higher School of Economics, etc.). In 2018, most topical issues were the law sanation of insurance companies, the draft law regarding WTO and branches of insurance (reinsurance) companies, issues related to information protection, commercial risk insurance and many other. In December 2018, Nikolay Galushin, President, Russian National Reinsurance Company, took part in the Committee meeting.

On 24 May 2018, the AEB Insurance & Pensions Committee held its traditional fifth event on electronic insurance titled "Online solutions in insurance and pensions". The participants discussed recent trends and developments in online solutions in insurance and pensions in Russia, such as smart contracts, market place, blockchain examples, etc.

On 23 November 2018, the AEB Insurance & Pensions Committee held its regular pension event titled "New stage of pension reform: challenges and solutions". The event gave the audience an update on the pension reform, trends and solutions in corporate pensions, as well as on new products and technologies in the pension market.

In 2016, the AEB (represented by the Committee) joined the International Insurance Law Association/Association Internationale de Droit des Assurances (AIDA) as the Russian National Chapter. For this purpose within the AEB Insurance & Pensions Committee, the AIDA Insurance Legislation Working Group (AIDA Russian Chapter) was established. The Working Group is chaired by Capitolina Tourbina, Director, General Reinsurance AG. In 2018, within this framework the Committee held two events, namely: the open event "Sanation of insurers: potential risks and new opportunities" on 16 April 2018 (on the draft law on sanation of insurance companies and its main discussion points and concerns) and the round table "Branches of foreign insurance companies in Russia: in search of a balanced approach to regulation" on 12 November 2018 (on the draft law on WTO and branches of insurance (reinsurance) companies). Furthermore, AIDA Working Group Chair Capitolina Tourbina became Councillor at the President Council of AIDA.

## INTELLECTUAL PROPERTY COMMITTEE

<p><b>AIMS</b></p>	<ul style="list-style-type: none"> <li>• To monitor changes in IP legislation of the Eurasian Economic Union and to monitor these changes on the national level in Russia.</li> <li>• To protect the rights of IP right owners and other fair market players and to prevent unauthorised use of intellectual property.</li> <li>• To monitor the application of the Procedural Codes in respect of the IP-related issues.</li> <li>• To provide legal support services (informational briefings and seminars, regular legislative updates) for AEB members on IP related issues.</li> <li>• To undertake expert review of draft AEB letters and policy papers on existing and proposed Russian and Eurasian intellectual property legislation: copyright, patents, trademarks, industrial design rights, utility models, geographical indication, trade secrets, related rights, trade names.</li> <li>• To undertake expert review of court practice and also to conduct comparative analysis of court practice in Russia and in the European Union.</li> <li>• To provide a forum for the exchange of information, analysis, and views between AEB members on new developments in Russian and Eurasian laws and legal practice in the area of intellectual property.</li> </ul>
<p><b>CHAIRPERSON</b></p>	<p><b>Anton Bankovsky</b>, Partner, CMS Russia</p>
<p><b>DEPUTY CHAIRPERSONS</b></p>	<p><b>Pavel Sadovsky</b>, Counsel, Egorov Puginsky Afanasiev &amp; Partners (EPAM); <b>Igor Sergeev</b>, Brand Protection Specialist, Ford Sollers Holding LLC</p>
<p><b>AEB MEMBER COMPANIES</b></p>	<p>Alinga Consulting; Allen &amp; Overy Legal Services; ALPE consulting OOO; ALRUD Law Firm; Andrey Goroditsky And Partners Law Firm; AstraZeneca Pharmaceuticals LLC; Atlas Copco, JSC; Baker Botts L.L.P.; Baker McKenzie; BASF; Bayer JSC; BEITEN BURKHARDT Moscow; BMW Group Russia; Bonduelle-Kuban LLC; Bryan Cave Leighton Paisner (Russia) LLP; Castrén &amp; Snellman; Caterpillar Eurasia LLC; CMS Russia; Continental Tires RUS OOO; Credit Agricole CIB AO; DeLonghi; Dentons; DLA Piper; DuPont Science and Technologies; Egorov Puginsky Afanasiev &amp; Partners (EPAM); Electrolux; Esparma GmbH; Eversheds Sutherland; EY; Ford Sollers Holding LLC; General Motors Russia &amp; CIS LLC; Google; Grayling Eurasia OOO; IKEA Centres Russia; Industry Round table for cooperation with the EU, Non-profit partnership; JETRO; Kia Motors RUS, LLC; L’Oreal; Legrand Group; M.Video; Mannheimer Swartling Ryssland Advokataktiebolag; Mazars; Mercedes-Benz Russia; Michelin; Morgan Lewis; Nissan Manufacturing RUS; Noerr OOO; Pepeliaev Group, LLC; Philip Morris Sales and Marketing; Philips LLC; Porsche Russland; Procter &amp; Gamble; PwC; Renault Russia; Rödl &amp; Partner; Rouse &amp; Co. International (UK); Sanofi Russia; Schneider Electric; Shevyrev and partners, Bureau of attorneys; Siemens LLC; Syngenta; Tilling Peters LLC; Toyota Motor, OOO; VEGAS LEX Advocate Bureau; VOLKSWAGEN Group Rus OOO.</p>
<p><b>NUMBER OF COMMITTEE MEETINGS</b></p>	<p><b>5</b></p>

AEB OPEN EVENTS ORGANISED	AEB external events	Date
	Round table "Parallel imports: in search of a balance of interests"	18.05.2018

### COMMITTEE ACTIVITIES, 2018

On 29 March, 2018, the Intellectual Property Committee representatives took part in the briefing with Igor Artemiev, Head of the Federal Antimonopoly Service. Like in previous years, Mr. Artemiev provided comprehensive answers to the questions put forward by member companies of the AEB from different industries. These questions covered important topics regarding the regulation of the pharmaceutical industries, price monitoring, parallel imports, antimonopoly compliance, Federal Law "On protection of competition" and so on.

On 18 May 2018, the Intellectual Property Committee held a session "Parallel imports: in search of a balance of interests" at the St. Petersburg International Legal Forum. The Committee had been dealing with problems related to parallel imports for ten years and the speakers found it very important to express their position and to discuss this issue.

## IT & TELECOM COMMITTEE

<b>AIMS</b>	<ul style="list-style-type: none"> <li>To promote interests of AEB member companies in IT and telecom through governmental liaison and information exchange.</li> <li>To assist AEB members by means of sharing best practices, discussing legal and regulatory issues on IT and telecom.</li> </ul>	
<b>CHAIRPERSON</b>	<b>Edgars Puzo</b> , CEO, Atos Russia & CIS	
<b>DEPUTY CHAIRPERSONS</b>	<b>Andrey Sorokin</b> , Director, Carriers and Government Relations Russia & CIS, Detecon International GmbH; <b>Gleb Vershinin</b> , GR Director, SAP C.I.S.	
<b>AEB MEMBER COMPANIES</b>	ABB; Accenture; ALP Group; ALPE consulting; ALRUD Law Firm; Antal Russia; Atos; Baker McKenzie; Bayer; Beiten Burkhardt; Brother; Capital Legal Services; CMS Russia; Coleman Services UK; Deloitte; Detecon Consulting; Egorov Puginsky Afanasiev & Partners; Ericsson; EY; GE; Google Russia; JTI; Liniya Prava Law Firm; Morgan Lewis; Noerr; Nokia Solutions & Networks; Orange Business Services; PwC; Pepeliaev Group; Philips; SCHNEIDER GROUP; SAP C.I.S; Siemens LLC; TeliaSonera International Carrier; Tieto; Tilling Peters LLC, VimpelCom PJSC (Beeline).	
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>5</b>	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>AEB events</b>	<b>Date</b>
	Conference on Big Data	30.01.2018
	"ABC of Digitalization"	12.04.2018
	"EU General Data Protection Regulation (GDPR): implementation experience" (jointly with the Compliance & Ethics and HR Committees)	12.07.2018
	"EU General Data Protection Regulation (GDPR): sharing best practices" (jointly with the Compliance & Ethics and HR Committees)	05.10.2018
	Briefing by Y. Kontemirov, Acting Deputy Head, Roskomnadzor	10.10.2018
	"Legal update"	17.10.2018
	<b>AEB external events</b>	
	Video conference with the Directorate-General for Justice and Consumers of the European Commission (DG JUST) on GDPR	14.09.2018

## COMMITTEE ACTIVITIES, 2018

The purpose of the Committee's work is to create the right conditions for cooperation and joint development of digital technologies between Russia and the EU, followed by the mutual promotion of projects on the global markets; to combine EU and Russian capabilities to achieve synergies through enhanced technological cooperation.

Year 2018 was particularly fruitful and eventful for the IT & Telecom Committee – 6 open events for the AEB members were held, with two major marking points, the event on Big Data (almost a hundred persons attended the event) and a meeting with Y. Kontemirov, Roskomnadzor (the relations with this important governmental body were maintained and developed). The Committee members took part as speakers in the International Conference on Personal Data Protection on 8 November 2018. In the framework of this event, the Code of Good Practice in the Internet was signed. The Committee continued its contacts with the key Russian government stakeholders, authorities and business circles. After the AEB Strategy Meeting in January 2018 the Committee was designated as a leader in driving digitalization issues within the AEB (the round table "ABC of Digitalization" was organised in April 2018).

The Committee issued the second edition of the AEB Business Quarterly "Digitalization: a new way of life" in which the important topics were tackled: data protection and cybersecurity development; Russian government initiatives on digital economy; ICO markets; risks of using Big Data; HR issues in the IT market; retail digitalization; cloud technologies. V. Jourova, European Commissioner for Justice, Consumers and Gender Equality, addressed the problem of digital risks of the 21<sup>st</sup> century.

The Committee continued its cooperation with the European Commission. The Committee Chairman, Edgars Puzo, on 21-23 March 2018 took part in the AEB Board mission to Brussels where the AEB delegation met with Mariya Gabriel, Commissioner for Digital Economy and Society.

Having organised with assistance of the EU Delegation a video conference with the "International data flows and protection" unit of DG JUST, the Committee prepared questions on GDPR and E-privacy. During the two-hours event the ways for AEB members to comply with the GDPR without contravening Russian data protection legislation and other laws on information security (Data Localisation Law, Yarovaya Law and others) were discussed.

## LEGAL COMMITTEE

<p><b>AIMS</b></p>	<ul style="list-style-type: none"> <li>• To provide legal support services (informational briefings and seminars, legislation updates) to AEB members.</li> <li>• To participate in Russian legislation proceedings in the interest of AEB members.</li> <li>• To promote the exchange of practical experience of companies related to different legal aspects of the development of legislation in Russia and EU countries.</li> <li>• To provide a forum for the exchange of information, analysis and views between AEB members on new developments and legal practice.</li> <li>• To prepare recommendations for Russian legislation, i.e. encourage the implementation and application of existing international standards.</li> <li>• To participate in the Russian legislation procedure by presenting international experience, and lobbying for the interests of AEB members and holding open discussions, sharing the best practices of AEB members with the Russian authorities.</li> </ul>
<p><b>CHAIRPERSON</b></p>	<p><b>Sergey Krokhalov</b>, Partner, Baker McKenzie</p>
<p><b>AEB MEMBER COMPANIES</b></p>	<p>ABB; Advocates Bureau Yug; Akzo Nobel N.V.; ALD Automotive LLC; Alinga Consulting; Allen &amp; Overy Legal Services; ALRUD Law Firm; Andrey Gorodissky And Partners Law Firm; AstraZeneca Pharmaceuticals LLC; Atlas Copco, JSC; Atos; Auchan Russia; Baker Botts L.L.P.; Baker McKenzie; BASF; BearingPoint OOO; BEITEN BURKHARDT Moscow; BMW Group Russia; Borenium Russia; BP; Bryan Cave Leighton Paisner (Russia) LLP; Capital Legal Services; Carnelutti Russia; Caterpillar Eurasia LLC; Clifford Chance; CMS Russia; Coleman Services UK; Danone Russia; Danske Bank Russia; Dentons; DLA Piper; DuPont Science and Technologies; Egorov Puginsky Afanasiev &amp; Partners (EPAM); EkoNiva-Technika Holding, LLC (part of EkoNiva group); Eversheds Sutherland; EY; Ford Sollers Holding LLC; FORTUM OYJ; General Motors Russia &amp; CIS LLC; Gide Loyrette Nouel; GROUPE SEB-VOSTKO ZAO; HeidelbergCement Rus; Henkel Rus OOO; HSBC Bank (RR) OOO; IKEA Centres Russia; Jungheinrich Lift Truck; JURALINK; Kia Motors RUS, LLC; KPMG AO; L’Oreal; LegaLife Diaz Reus; Legrand Group; M.Video; Mannheimer Swartling Ryssland Advokataktiebolag; Mazars; Merck LLC; MetLife JSC; MOL-Russ LLC; Morgan Lewis; Nissan Manufacturing RUS; NOBLE HOUSE Group Russia; Noerr OOO; Nokia; Nordea Bank; Norton Rose Fulbright (Central Europe) LLP; Novo Nordisk A/S; Orange Business Services; Oriflame; Orrick (CIS) LLC; Pepeliaev Group, LLC; Philip Morris Sales &amp; Marketing; Philips LLC; Porsche Russland; PPG Industries LLC; Procter &amp; Gamble; PSA Group (Peugeot Citroen Rus); PwC; Renault Russia; Repsol Exploracion S.A.; Robert Bosch OOO; Rödl &amp; Partner; Rouse &amp; Co. International (UK) Ltd.; Sanofi Russia; Scania-Rus LLC; Schulze, Brutyan and Partners LLC; SECRETAN TROUYANOV SCHAER S.A.; Shell Exploration and Production Services (RF) B.V.; Shevyrev and partners, Bureau of attorneys; Siemens LLC; SOCIETE GENERALE Strakhovanie Zhizni LLC; SOLLERS PJSC; Stada CIS; Syngenta; Thomson Reuters; Tilling Peters LLC; Tinkoff Online Insurance, JSC; TMF Group; Touch Bank; Toyota Motor, OOO; United Technologies International Operations, Inc.; Vaillant Group Rus LLC; VEGAS LEX Advocate Bureau; Vinson &amp; Elkins L.L.P.; VISA; VOLKSWAGEN Group Rus OOO; Volvo Cars LLC; WELBI; Zett Insurance Company Ltd.; ZURICH RELIABLE INSURANCE, JSC.</p>

<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>7</b>	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>AEB events</b>	<b>Date</b>
	Briefing by I. Artemiev, Head of the Federal Antimonopoly Service of Russia	29.03.2018
	"Update on U.S. sanctions"	19.04.2018

### **COMMITTEE ACTIVITIES, 2018**

In 2018, the Legal Committee analysed the impact of sanctions on the Russian economy, political situation and investment climate as well as the legal novelties that appeared as a response to sanctions imposed by the U.S. and other countries. Legal Committee experts organised an open event on U.S. sanctions update on 19 April 2018.

Another important topic covered by the Committee in collaboration with the AEB Finance & Investment Committee was the special investment contract and its modified versions. Experts discussed developments around this initiative and the consequences it will entail for companies. The joint event took place on 29 November 2018.

Such issues as amendments to antimonopoly packages and legislative initiatives by the Federal Antimonopoly Service, amendments to the Civil, Administrative, and Criminal Codes always attract attention of Committee experts. Parallel imports is another important topic reviewed by the Committee.



## MACHINE BUILDING & ENGINEERING COMMITTEE

<p><b>AIMS</b></p>	<ul style="list-style-type: none"> <li>• To take part in governmental policy making, in the areas related to the power and machine building industries, in an attempt to create clear rules to promote the development of a market where all participants have equal rights.</li> <li>• To initiate changes in environmental legislation, taking into account the stringent environmental requirements of consumers, resulting in a better performance of power stations and implementation of new technologies.</li> <li>• To render support to the Committee member companies operating in Russia.</li> <li>• To monitor the development of the machine building market in Russia.</li> <li>• To facilitate the exchange of information and international experience in the field of machine building, which can subsequently be applied to the Russian environment.</li> </ul>	
<p><b>CHAIRPERSON</b></p>	<p><b>Philippe Pegorier</b>, President, Alstom Russia</p>	
<p><b>DEPUTY CHAIRPERSON</b></p>	<p><b>Mikhail Turundaev</b>, Business Development, Schneider Electric</p>	
<p><b>AEB MEMBER COMPANIES</b></p>	<p>ABB; Alstom Russia; Atlas Copco, JSC; BEITEN BURKHARDT; Bryan Cave Leighton Paisner (Russia) LLP; Caterpillar Eurasia LLC; Deloitte; DLA Piper; Dow Europe; ECOTEAM; Faiveley Transport; GE Russia/CIS; John Deere Rus, LLC; Legalife Diaz Reus; Mitsubishi Electric; PwC; Pepeliaev Group, LLC; Phoenix Contact RUS OOO; Radius Group; Robert Bosch OOO; Schneider Electric; Siemens; TABLOGIX; Technology Company Schlumberger LLC; THOST Russia Project Management; VEGAS LEX Advocate Bureau; VR-Group; Wacker Chemie AG.</p>	
<p><b>NUMBER OF COMMITTEE MEETINGS</b></p>	<p><b>5</b></p>	
<p><b>AEB OPEN EVENTS ORGANISED</b></p>	<p><b>AEB events</b></p>	<p><b>Date</b></p>
	<p>"Machine building market trends in Russia 2018"</p>	<p>24.10.2018</p>

### COMMITTEE ACTIVITIES, 2018

The AEB Machine Building & Engineering Committee in its activities tries to keep a balance between topics and issues common to representatives of other "neighbour" branches, such as: automobile construction, autocomponents, construction equipment, technical regulation and standardisation, trying to act in synergy with other AEB Committees. In 2018, the Committee continued to monitor the development of the Russian machine building market having organised regular open events tackling the most important from the Committee's point of view issues such as localisation; import substitution; customs duties; SPICs – generally speaking, foreign investments in Russian production capacities. The year 2018 started with a meeting with Deputy Minister of Industry and Trade of Russia V. Osmakov at which all these vital for the Committee issues were raised and discussed. Two other high ranking governmental officials participated in the

meeting: M. Ivanov, Director of the Department for Machine Building & Investment Machine Building, and V. Raspopov, Deputy Director, Industrial Development Fund.

In November a traditional round table on the trends of the Russian machine building sector in Russia was organised. Apart from the speakers from the AEB, it gathered the representatives of the National Industrial Information Agency, Russian Association of the Special Technique & Equipment Producers; SPETSAVTOPROM; Karelian Trains.

The Committee invited external speakers to its meetings: V. Polovtsev, Head of Business Development Department, made a presentation of the Special Economic Zone Alabuga; A. Kozutenko, Head of Corporate Sales, LLC "SK", presented an innovative technology of intrinsic hydrogen production.

The Committee representatives actively participated in the following events:

- St. Petersburg International Economic Forum (24-26.05.2018);
- Innoprom (09-12.07.2018);
- Eastern Economic Forum (11-13.09.2018);
- RZhD Forum (Sochi, 01-03.09.2018);
- InnoTrans (Berlin, 18-21.09.2018);
- Russian Energy Week (Panel Session organised by the AEB with J. Vanderplaetse, Chairman of the AEB Board, Schneider Electric, as a speaker (03-06.10.2018)).

The Committee Chairman Philippe Pegorier is a member of the Consultative Council of the Agency of Technological Development, of the Strategic Council of the Ministry of Industry and Trade, of the Committee for Industrial Policy of the RSPP.

## MIGRATION COMMITTEE

<p style="text-align: center;"><b>AIMS</b></p>	<ul style="list-style-type: none"> <li>• To monitor immigration legislation and practice developments in the Russian Federation.</li> <li>• To promote the exchange of companies' practical experience related to the immigration issues in the Russian Federation (RF) and the European Union (EU) countries.</li> <li>• To promote information exchange regarding different international practices/policies and their relevance to Russia.</li> <li>• To build a strong relationship with various immigration and labour authorities to lobby immigration related issues and hold open discussions and share information with AEB member companies.</li> <li>• To identify the most problematic issues in the immigration area that AEB member companies face; address these issues through further discussions with the authorities and resolve them.</li> <li>• To keep AEB member companies updated on all immigration related activities so as to avoid possible immigration related risks and promote effective business planning.</li> <li>• To organise meetings/round tables/joint events, involving the participation of the Russian state immigration and labour authorities.</li> <li>• To support one-window process of documents submission for AEB members.</li> </ul>
<p style="text-align: center;"><b>CHAIRPERSON</b></p>	<p><b>Ludmila Shiryayeva</b>, Government Relations Director, Tax &amp; Law, EY</p>
<p style="text-align: center;"><b>DEPUTY CHAIRPERSONS</b></p>	<p><b>Ekaterina Elekchyan</b>, Senior Associate, CMS; <b>Alexey Filipenkov</b>, Partner, Visa Delight; <b>Andrey Slepov</b>, Partner, BEITEN BURKHARDT</p>
<p style="text-align: center;"><b>AEB MEMBER COMPANIES</b></p>	<p>Accenture; Alinga Consulting and Audit; Allen &amp; Overy Legal Services; ALRUD Law Firm; Alstom Russia Ltd.; Andrey Gorodissky And Partners Law Firm; Ararat Park Hyatt Moscow; Baker McKenzie CIS Ltd.; BAT; BDO; BP; Bayer AG; BEITEN BURKHARDT; Cargill LLC; Continental Tires RUS LLC; CMS Russia; CREDIT SWISS; Daimler Chrysler AG; Danone Russia; Deloitte; DLA Piper; DuPont Science &amp; Technologies; Enel Russia; EY; Gasunie; Gide Loyrette Nouel; Bryan Cave Leighton Paisner (Russia) LLP; HeidelbergCement Rus; IKEA; Intermark Relocation; Korean Airlines; KPMG; LEROY MERLIN Russia; Linklaters CIS; Liniya Prava Law Firm; L'Oreal; MANNHEIMER SWARTLING; Mazars; Mercedes-Benz Russia; Michelin; Moscow School of Management SKOLKOVO; Move One INC; Nissan Manufacturing RUS; NOERR; Orrick (CIS) LLC; Oriflame; Pepeliaev Group; Philip Morris Sales &amp; Marketing; PwC; Repsol Exploracion S.A.; Robert Bosch OOO; ROSBANK; Salans; Scania-Rus LLC; SCHNEIDER GROUP; Secretan Troyanov Schaer S.A.; Shell Exploration and Production Services (RF) B.V.; Siemens LLC; Technology Company Schlumberger LLC; Telenor; TF-Group; THOST Russia Projektmanagement OOO; Total E&amp;P Russie; Total Vostok; Troika Relocations Ltd.; Unicredit Bank; Visa Delight; Volvo Vostok ZAO; Welcome Abroad Relocations.</p>
<p style="text-align: center;"><b>NUMBER OF COMMITTEE MEETINGS</b></p>	<p style="text-align: center;"><b>5</b></p>

	<b>Event title</b>	<b>Date</b>
<b>AEB OPEN EVENTS ORGANISED</b>	Open event "Migration registration procedure" with participation of the Ministry of Internal Affairs	10.04.2018
	Annual Migration Conference	05.12.2018
	<b>AEB external events</b>	
	Meeting with E. Kazmina, Deputy Head of Department on Social Development of the Ministry of Economic Development, on migration issues	09.02.2018
	Meeting with A. Aksenov, Deputy Head of Chief Migration Directorate, Ministry of Internal Affairs of Russia	06.07.2018
	Meeting with U. Mikheeva, Head of Department on Social Development, Ministry of Economic Development, on migration issues and a road map on the main activities of the Russian government until 2024	13.07.2018
	Meeting with A. Kraushkin, First Deputy Head of Chief Migration Directorate, Ministry of Internal Affairs, representatives of the Ministry of Internal Affairs, Ministry of Economic Development, on discussion of draft Governmental Decree on the responsibility of an inviting party for compliance of foreign employees' entry goal	10.10.10
	Meeting on clarification of migration registration for AEB member companies management	09.11.2018

## **COMMITTEE ACTIVITIES, 2018**

On 10 April 2018, the Committee organised roundtable discussion of upcoming changes in migration registration procedure and law enforcement practice with participation of the Ministry on Internal Affairs representatives.

On 18 April 2018, the AEB organised the Conference "Get ready for the 2018 FIFA World Cup Russia!" which took place at the Metropol Hotel Moscow. Ahead of the World Cup FIFA 2018, which was held in Russia on 14 June – 15 July 2018, the AEB had organised a full-day Conference comprising four different sessions which covered the practical aspects of economic activities of the AEB member companies in the different areas, such as: hospitality and accommodation, migration registration of guests, intellectual property rights, customs and transport, retail trade, construction industry and building material suppliers, legal and others. The second session was devoted to the migration registration of guests during the WC FIFA-2018 and the planned amendments to Federal Law No. 109 "On migration registration on foreign employees in the Russian Federation" (FZ-109). The session was moderated by Ludmila Shiryaeva, AEB Migration Committee Chairperson, Government Relations Director, EY. Alexander Aksenov, Deputy Head of Chief Migration Directorate, Ministry of Internal Affairs of Russia, and Kirill Adzynov, Head of Work Permit and Visa Department, Ministry of Internal Affairs of Russia, were

distinguished guests of the session to brief on the forthcoming changes to FZ-109 and regulations relating to migration registration during the 2018 FIFA World Cup Russia. Alexey Filipenkov, AEB Migration Committee Deputy Chairman, Partner, Visa-Delight, made a presentation on practical experience of migration registration procedure during the Confederations Cup 2017 and gave recommendations to the Conference participants for the 2018 FIFA World Cup Russia.

On 6 July 2018, Frank Schauff, AEB CEO, Liudmila Shiryayeva, AEB Migration Committee Chairperson, and Alexey Filipenkov, AEB Migration Committee Deputy Chairman, met with Alexander Aksenov, Deputy Head of Chief Migration Directorate, Ministry of Internal Affairs of Russia. Among other participants were: Igor Dudnik, Deputy Head of the Moscow city Migration Directorate, Andrei Kostorei, Deputy Head of the Moscow region Migration Directorate, as well as other representatives of migration authorities. The meeting was devoted to the practical implementation of new rules of migration registration procedure for foreign employees in the Russian Federation, which were adopted by Federal Law No. 163 "On amendments to the Federal Law of migration registration of foreign citizens" on 27 June 2018 and entered into force on 8 July 2018.

On 10 October 2018, Ruslan Kokarev, AEB COO, Ludmila Shiryayeva, AEB Migration Committee Chairperson, Alexei Filipenkov, AEB Migration Committee Deputy Chairman, met with Andrey Kraushkin, First Deputy Head of Chief Migration Directorate of the Ministry of Internal Affairs of Russia. The participants of the meeting discussed the governmental Draft Decree concerning the procedure for the inviting party to apply measures for compliance by the foreign citizens with the purpose of entry. The Draft Decree was prepared to develop Federal Law No. 216. It was agreed to improve the text of the Draft Decree taking into account the AEB position which aimed to reduce the administrative burden on the employers.

On 5 December 2018, the AEB held XI Annual Migration Conference titled "Dialogue: migration law in practice" with participation of the representatives of the Chief Migration Directorate of the Ministry of Internal Affairs of the Russian Federation, and representatives of the Moscow and Moscow region Migration Directorates of the Russian Ministry of Internal Affairs.

## NON-FOOD FMCG WORKING GROUP

<b>AIM</b>	To provide an aligned position of non-FMCG manufacturers to relevant stakeholders on the most important industrial issues and topics.
<b>CHAIRPERSON</b>	<b>Sergey Bykovskikh</b> , President, Henkel Russia
<b>AEB MEMBER COMPANIES</b>	Avon; Electrolux; Henkel; Herbalife; L’Oreal; Oriflame; Procter & Gamble; Yves Rocher.
<b>NUMBER OF WORKING GROUP MEETINGS</b>	<b>4</b>

### WORKING GROUP ACTIVITIES, 2018

In 2018, the Working Group activities were mainly focused on addressing the governmental decision to introduce mandatory marking of perfumery products in 2019. The WG conducted several meetings which aligned the position of the industry and contributed to the AEB letters on this issue. The Working Group efforts seek to achieve the exclusion of perfumery products from the list of goods subject to mandatory marking.

## NORTH-WESTERN REGIONAL COMMITTEE

<p><b>AIMS</b></p>	<ul style="list-style-type: none"> <li>• To improve a stable, transparent and honest business environment for European member companies in the north-western region of Russia.</li> <li>• To facilitate cooperation with local and federal authorities in order to solve the problems or to benefit member companies and/or their business sectors.</li> <li>• To provide platforms, such as Subcommittees or Working Groups, to discuss, voice and resolve members' business problems.</li> <li>• To organise events and other meeting opportunities for networking purposes.</li> <li>• To cooperate with consulates and other bodies of the European Union in the region.</li> <li>• To cooperate with other business associations.</li> <li>• To provide quality information for the needs of member companies.</li> </ul>
<p><b>CHAIRPERSON</b></p>	<p><b>Andreas Bitzi</b>, Managing Partner, quality partners.</p>
<p><b>DEPUTY CHAIRPERSONS</b></p>	<p><b>Elena Novoselova</b>, Head of Regional Development, Coleman Services UK;  <b>Anton Rassadin</b>, Government Affairs, BSH Group;  <b>Wilhelmina Shavshina</b>, Legal Director, Head of Customs and Foreign Trade Regulation Practice, DLA Piper St. Petersburg</p>
<p><b>AEB MEMBER COMPANIES</b></p>	<p>Accountor Russia; Akzo Nobel N.V.; Air France; Allianz IC OJCS; Alinga Consulting Group; ALP Group; Alstom Russia Ltd; Ancor; Antal; Ariston Thermo Rus; Arivist; Astoria Hotel Complex JSC; Baker McKenzie; Beiten Burkhardt; Belmond Grand Hotel Europe; BLG Logistics Automobile SPb; Bonava; BORENIUS RUSSIA; Boskalis Offshore Contracting B.V.; British American Tobacco Russia; BSH Bytowyje Pribory OOO; BusinessFinland Oy; Business Psychologists; Castrén &amp; Shellman International Ltd.; Citibank AO; Coleman Services; Commerzbank (Eurasija) AO; Credit Agricole CIB AO; Danone Russia; Danske Bank Russia; Deloitte CIS; Dentons; DHL Express; DLA Piper Rus Limited LLC Branch in St. Petersburg; Drees &amp; Sommer Project Management and Building Technologies; East Office of Finnish Industries; Egorov Puginsky Afanasiev &amp; Partners; EKE Group; ERGO Insurance Company; Eversheds Sutherland; EY; Finnish-Russian Chamber of Commerce; Finnvera Plc; Ford Sollers Holding LLC; Galitzine Consulting; General Motors Russia &amp; CIS LLC; Gestamp Russia; GfK; GoingRussia; GROUPE SEB-VOSTOK ZAO; HeidelbergCement Rus; HELLENIC BANK PLC; Human Search, OOO; Hyundai Motor CIS; IKEA DOM LLC; International Hotel Investments (Benelux) B.V. (Corinthia Hotel); Italcantieri; Itella, OOO; JETRO; Johnson Controls Autobatterie RUS; JTI Russia; Jungheinrich Lift Truck; Juralink G-nius; KOTRA; KPMG AO; KUUSAKOSKI OY (Petromax AO); Legrand Group; Lenta LLC; LOTTE Rus; Mankiewicz Gebr. &amp; Co.; ManpowerGroup Russia &amp; CIS; Mikenopa Eastern Europe a.s.; Most Services; Move One INC; Nissan Manufacturing Rus; Nokian Tyres Ltd.; NORD OUTSOURCING LLC; Nordea bank; Novartis Group Russia; ORAS RUS LLC; OY M. RAUANHEIMO AB; Pepeliaev Group LLC; Philip Morris Sales &amp; Marketing; Polar Logistics Region; Port Hamburg Marketing; Promaco TR; PRYSMIAN RUS LLC; PwC; quality partners.; Raiffeisenbank AO; Raiffeisen-Leasing; ROCA; Rockwool; Rödl &amp; Partner; Saint-Gobain CIS; SAF-NEVA; SATO Rus; Scania-Rus LLC; SCHNEIDER GROUP; Siemens LLC; Sokotel LLC; Spectrum Holding; Stockholm School of Economics in Russia; TMF-Group; Uponor; VOLKSWAGEN Group Rus OOO; VSK Insurance Joint Stock Company; VimpelCom PJSC (Beeline); Wienerberger; YE International JSC; YIT.</p>

NUMBER OF COMMITTEE MEETINGS	14	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>AEB events</b>	<b>Date</b>
	IMF Annual Briefing	01.02.2018
	Meeting with Labour Inspection representatives	13.02.2018
	"Financial outlook 2018: update for successful business"	15.02.2018
	"Legal and regulatory results of 2017 and perspectives for 2018"	15.03.2018
	Briefing by migration authorities	13.03.2018
	"Risk barometer for directors"	27.03.2018
	Presentation of the investment potential of the Pskov region	04.04.2018
	Presentation of the results of the AEB annual survey "Strategies and prospects for European companies in Russia"	23.05.2018
	"Sanctions: overview, risks and challenges for European companies"	17.07.2018
	Round table "Waste management: Russian realities and best practices of the companies"	04.10.2018
	Round table "Share construction reform – overview from market players"	01.11.2018
	Digital Breakfast: digitalization in HR and personnel adaptation	20.11.2018
	Meeting with the investment team of the Leningrad region	26.11.2018
	The World Bank briefing	10.12.2018
	<b>AEB external events</b>	
	Presentation of the AEB at the Team Norway Business Event	25.10.2018
St. Petersburg Investment Forum 2018	12.11.2018	



## COMMITTEE ACTIVITIES, 2018

The North-Western Regional Committee strives to offer its members the services and information equal to those the AEB offers in Moscow.

From more than 200 AEB members represented in the north-western region, about 108 companies demonstrated an active engagement in 2018 by regularly participating in the work of the Committee and its Subcommittees.

The year 2018 was marked by 14 notional open events and round tables held by the Committee and its Subcommittees.

The NWRC continued a good tradition of conducting an annual survey among its members on their satisfaction with the investment climate in the Leningrad region. The results of the survey were presented during the Annual Meeting with the investment team of the Leningrad region. In 2018 the Annual Meeting gathered a record number of participants – 85.

The Committee participated in the meetings of the Investment Councils of the Leningrad region and in the Advisory Committee under the Regional Customs Authorities (SZTU).

In 2018 the representatives of the AEB North-Western Regional Committee held several business meetings with the St. Petersburg city authorities and respective committees, as well as with the front-office for investors of St. Petersburg to draw up the future cooperation road-map and prepare the Cooperation Agreement to be signed between the AEB and the Government of St. Petersburg in 2019.

In 2018 the AEB also took part in the St. Petersburg Investment Forum which took place on 12-13 November 2018. The AEB CEO moderated the panel session of the Forum.

There were important meetings with the North-Western Customs authorities, the Labour Inspection of St. Petersburg, IMF, the World Bank, migration authorities, etc.

The Committee raised and discussed with responsible authorities such problems as:

- improvement of investment climate in the region;
- changes in the customs procedures and application of the customs legislation;
- parallel imports;
- localisation issues (including SPIC and RIP application);
- waste management practices and law application;
- sanctions and doing business in Russia in uncertain times;
- labour inspection audit;
- attracting, onboarding and retaining the employees;
- digital processes in the companies;
- transfer from share construction to project financing;
- challenges and forecasts in construction industry of the north-western region of Russia.

General Consulates in St. Petersburg and the European Union Delegation to the Russian Federation consider the AEB North-Western Regional Committee as an adviser and a reliable partner for European companies in the north-western region. The Committee continued fostering cooperation with the EU countries consulates in St. Petersburg through meetings with EU delegation representatives, meetings with the consuls general and commercial staff, organisation of events in cooperation with the consulates, presentations of AEB federal and regional activities during business breakfasts at the consulates, meetings with the national representative companies and potential members.

## PRODUCT CONFORMITY ASSESSMENT COMMITTEE

<b>AIMS</b>	<ul style="list-style-type: none"> <li>• To identify and act on the major problems identified in the field of technical regulation, product conformity assessment and standardisation.</li> <li>• To act as a specific link with European Commission representatives in charge of the EU-Russia Regulatory Dialogue.</li> <li>• To contribute to approximation of the technical regulation between Russia and the EU.</li> </ul>	
<b>CHAIRPERSON</b>	<b>Alexey Soldatov</b> , Technical Regulation Manager, BSH Bytowije Pribory	
<b>DEPUTY CHAIRPERSON</b>	<b>Vitaly Akimochkin</b> , Logistics and Homologation Group Leader, Yamaha Motor CIS	
<b>AEB MEMBER COMPANIES</b>	ABB; BASF; Bonduelle-Kuban LLC; Brother LLC; BSH Bytowyje Pribory OOO; Caterpillar Eurasia LLC; Continental Tires RUS OOO; Danone Russia; DLA Piper; Doosan Infracore Co. Representative Office in Russia; Dow Europe GmbH Representation office; DuPont Science and Technologies; Electrolux; Ericsson; Eurasian Certification Company Limited Liability Company; Ferrero Russia, CJSC; GE (General Electric International (Benelux) B.V. ); GROUPE SEB-VOSTOK ZAO; H&M Hennes & Mauritz LLC; Hempel AO; Henkel Rus OOO; Hino Motors Sales, LLC; Hitachi Construction Machinery Eurasia Limited Liability Company; Imperial Tobacco Sales and Marketing; JCB Sales Limited; JETRO; John Deere Rus, LLC; Komatsu CIS, LLC; L'Oreal; Legrand Group; Merck LLC; Michelin; Nestle Rossiya LLC; Nike; Noerr OOO; Nokia; Nokian Tyres Ltd; Oriflame; PBN Hill+Knowlton Strategies; Philip Morris Sales and Marketing; Philips LLC; Procter & Gamble; Rockwool; Saint-Gobain CIS; Samsung Electronics; Scania-Rus LLC; Schneider Electric; SCHNEIDER GROUP; SECRETAN TROYANOV SCHAER S.A.; VEGAS LEX Advocate Bureau; Volvo Cars LLC; Yamaha Motor CIS LLC; Yves Rocher Russia.	
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>7</b>	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>AEB events</b>	<b>Date</b>
	Technical regulation and conformity assessment in the EAEU and the EU: prospects for approximation	27.09.2018

### COMMITTEE ACTIVITIES, 2018

In June 2012, the AEB Technical Regulation and Standardisation Task Force became the Product Conformity Assessment Committee (PCAC). The Committee works in close cooperation with the Eurasian Economic Commission, the Committee for technical regulation, standardisation and conformity assessment of the Russian Union of Industrialists and Entrepreneurs (RSPP) and with the Delegation of the European Union to Russia and Directorate General for Enterprise and Industry of the European Commission.

In 2018, the Committee continued to focus on the issues of Standardisation, Accreditation, Conformity Assessment, Market Surveillance, as well as the harmonisation of industrial technical regulations of the Customs Union, representing maximum interest for the business, with the corresponding European documents.

The AEB Product Conformity Assessment Committee members will continue to collect major problems identified in the field of technical regulation and standardisation, especially in the frame of the EAEU.

## PUBLIC RELATIONS & COMMUNICATIONS COMMITTEE

<p><b>AIMS</b></p>	<p>The Committee brings together experts on PR, corporate communications and corporate social responsibility (CSR) from over 110 AEB member companies. Initially, the Committee was established to discuss topical issues, exchange information, and advise on the application of successful international PR practices in Russia. Since its formation, the Committee has regularly held events and meetings for AEB member companies aimed at boosting expertise in communications with key stakeholders. The purpose of the meetings is to discuss pressing issues in corporate communications, including crisis communications and reputational risk management. These issues remain topical in the context of current trends, such as communication space globalisation and the ever-growing role of social media. Special attention in the Committee's agenda is paid to government relations (GR) and relations with other groups of stakeholders, including professional associations, the expert community, and non-profit organisations.</p>
<p><b>CHAIRPERSON</b></p>	<p><b>Marina Tatarskaya</b>, PR Director, Ferrero Russia</p>
<p><b>AEB MEMBER COMPANIES</b></p>	<p>ABB; Alinga Consulting; Allianz IC OJSC; ALRUD Law Firm; American Institute of Business and Economics; ANCOR; Antal; Ararat Park Hyatt Moscow; Arval; AstraZeneca Pharmaceuticals LLC; Avon Beauty Products Company, LLC; Baker McKenzie; Bayer JSC; BEITEN BURKHARDT Moscow; Benteler Automotive LLC; BNP Paribas; Boehringer Ingelheim; BP; British American Tobacco Russia; Bryan Cave Leighton Paisner (Russia) LLP; BSH Bytowyje Pribory OOO; Business Psychologists Ltd. (CEB SHL Russia &amp; CIS); Caterpillar Eurasia LLC; Chadbourne &amp; Parke LLP; CMS Russia; Corporate Health LLC; Creon Capital S.a.r.l; CRH; Danone Russia; Debevoise and Plimpton LLP; Delegation of the European Union; Deloitte CIS; Delphi Samara JV JSC; Dentons; DHL Express; Dow Europe GmbH Representation office; DSM; DuPont Science and Technologies; Egorov Puginsky Afanasiev &amp; Partners (EPAM); Enel Russia; ERGO Insurance Company; Euler Hermes; Evonik; EY; FENICE RUS LLC; Ferrero Russia, CJSC; Gasunie; GAZ Group LLC; Gide Loyrette Nouel; Grayling Eurasia OOO; Haldor Topsoe LLC; HELLENIC BANK PCL; Hino Motors Sales, LLC; Hotel Baltschug Kempinski Moscow/Baltschug Ltd; IE Business School; IKEA DOM LLC; ING Wholesale Banking in Russia; Intermark Relocation; Iveco Russia LLC; John Deere Rus, LLC; Kesarev Consulting; LafargeHolcim; Legrand Group; Liniya Prava Law Firm; LOTTE RUS; Macro-Advisory LLC; ManpowerGroup Russia &amp; CIS; Mazars; Merck LLC; Mercuri International; Messe Frankfurt Rus Ltd; MetLife JSC; Metropol Hotel Moscow (LLC "MC "Okhotny Ryad"); Mitsubishi Electric (Russia) LLC; Morgan Lewis; NAVIEN RUS, LLC; Nestle Rossiya LLC; Noerr OOO; Novo Nordisk A/S; Orange Business Services; Oriflame; PBN Hill+Knowlton Strategies; Pepeliaev Group, LLC; Philip Morris Sales and Marketing; Philips LLC; Procter &amp; Gamble; Publicity Consulting Group, an ECCO Network Affiliate in Russia; PwC; Raiffeisen-Leasing; Raiffeisenbank AO; Renaissance Moscow Monarch Centre Hotel; Repsol Exploracion S.A.; Rödl &amp; Partner; Sanofi Russia; Schneider Electric; SERVIER; Shell Exploration and Production Services (RF) B.V.; Siemens LLC; Signify; Stada CIS; Subaru Motor LLC; Swissotel Krasnye Holmy Moscow; Syngenta; TABLOGIX; TechSert; Thomson Reuters; TSAR VOYAGES; Unipro PJSC; United Nations Information Centre; United Technologies International Operations, Inc., Representative Office; VEGAS LEX Advocate Bureau; VOLKSWAGEN Group Rus OOO (Audi/Bentley/Lamborghini/Škoda/Volkswagen/Volkswagen Commercial Vehicles).</p>

<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>5</b>	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>AEB events</b>	<b>Date</b>
	"Meet the media: TASS Russian News Agency"	25.09.2018
	"Go digital: social media for PR professionals"	13.11.2018

## COMMITTEE ACTIVITIES, 2018

The interaction with traditional and new media remained an important part of the AEB Public Relations & Communications Committee's agenda in 2018. The Committee paid special attention to interaction with higher schools (Moscow State University, Higher School of Economics, Russian Academy of National Economy and Public Administration, Plekhanov Russian University of Economics, Moscow International Higher Business School MIRBIS Institute, RUDN University), and building partnerships with key business associations and communities.

On 21 March 2018, the AEB Public Relations & Communications Committee held its open meeting entitled "Key trends and challenges in global communications – new tools to promote and protect corporate reputation". The invited speaker Lars Erik Grønntun, Chairman & CEO, Europe, Middle East and Africa (EMEA), Hill+Knowlton Strategies, stressed in his presentation the importance of the Russian market to European business and investment, key trends in public affairs, crisis and corporate communications, and digital trends as the main platform for reaching customers, employees and diverse communities.

On 23 April 2018, the AEB Public Relations & Communications Committee and the AEB Human Resources Committee held a joint open meeting entitled "Corporate social responsibility (CSR) and sustainability in higher education and business: expectations and reality". The meeting served as a platform for the interaction between business community and higher schools representatives. In the closing part of the meeting, participants discussed the observations and facts presented by HR-services providers on the availability of vacancies on CSR & sustainability in the labour market.

On 26 June 2018, the AEB Public Relations & Communications Committee held its meeting entitled "Fake news, a realistic perspective". The invited speaker, Art Franczek, Professor of Accounting, American Institute of Business and Economics, delivered a presentation "Fake news, a realistic perspective". In his speech, Mr. Franczek focused on main categories of fake news, historical examples and their essence as regards big lie, misinformation and propaganda tools, little lies in the age of Big Data.

On 19 July 2018, the AEB Public Relations & Communications Committee held an open meeting with Dr. Xavier Emmanuelli, Founder of Emergency Medical Service Samusocial International and the co-founder of the organisation "Médecins Sans Frontières". Dr. Xavier Emmanuelli delivered the presentation "How to stay human in a megapolis. Importance of social support for the most excluded: the case of Samusocial International". In his speech, Dr. Emmanuelli stressed the interdependence of social stratification and social exclusion, interconnection of poverty and homelessness. The participants discussed the approaches to the problem of social exclusion in the Russian society, measures taken in this respect in Russia at a governmental level, and the organisations providing systematic approach to tackle this problem.

On 25 September 2018, the AEB Public Relations & Communications Committee held an open event "Meet the media: TASS Russian News Agency". The event provided an opportunity to discuss the approaches towards planning of news content, working online, working with informational occasions and their promotion at the federal level.

On 13 November 2018, the AEB Public Relations & Communications Committee held an open event entitled "Go digital: social media for PR professionals". The event provided a platform for discussion of key trends in digital development in Russia and the ways to better integrate social media channels in the companies' ongoing communications plans.

On 11 December 2018, the AEB Public Relations & Communications Committee took part in the extended joint meeting "Business image of a company through the prism of reporting". The meeting was organised by the Russian Union of Industrialists and Entrepreneurs (RSPP) and aimed at exchanging the best practices applied by the European and Russian businesses in the field of sustainable development and non-financial reporting. The AEB representatives confirmed their interest in further development of the dialogue with RSPP in this regard.

## REAL ESTATE COMMITTEE

<b>AIMS</b>	<ul style="list-style-type: none"> <li>• To facilitate the exchange of information regarding real estate and development issues in Russia.</li> <li>• To influence existing procedures in order to increase the attractiveness of foreign investments.</li> <li>• To establish a "bridge" between the AEB, the Moscow Government, the State Duma and other relevant governmental bodies.</li> </ul>	
<b>CHAIRPERSON</b>	<b>Tatjana Kovalenko</b> , Commercial Director, SENDLER & COMPANY GmbH	
<b>AEB MEMBER COMPANIES</b>	ABB; AERECO S.A. (FRANCE) - Representative Office in the Russian Federation; Allianz IC OJSC; ALPE consulting OOO; ALRUD Law Firm; Arup; Bank Credit Suisse (Moscow); BEITEN BURKHARDT Moscow; BNP Paribas; Borenius Russia; Bryan Cave Leighton Paisner (Russia) LLP; Clifford Chance; CMS Russia; Debevoise and Plimpton LLP; Deloitte CIS; Dentons; DLA Piper; Drees & Sommer Project Management and Building Technologies; DuPont Science and Technologies; ECCO; Eversheds Sutherland; EY; FlaktGroup; Gerald Sakuler; Gide Loyrette Nouel; Immochan; Intermark Relocation; Italcantieri; KPMG AO; Mazars; METRO AG Representative office; Noerr OOO; Orange Business Services; PBN Hill+Knowlton Strategies; Pepeliaev Group, LLC; Porsche Russland; PwC; Radius Group; Repsol Exploracion S.A.; ROCA; Rödl & Partner; Ruukki Construction; Saint-Gobain CIS; SAP CIS; SCHNEIDER GROUP; SENDLER & COMPANY GmbH; Siemens LLC; Special economic zone "STUPINO QUADRAT"; Spectrum holding Ltd; Sponda Russia; Stupino 1 Industrial Park; TMF Group; VEGAS LEX Advocate Bureau; Whirlpool RUS; YIT.	
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>5</b>	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>AEB events</b>	<b>Date</b>
	"Results and prospects in the field of legal regulation of commercial real estate"	16.03.2018

### COMMITTEE ACTIVITIES, 2018

The AEB Real Estate Committee was founded in 2003. Since that time it has brought together real estate professionals from a variety of areas including developers, financiers, consultants, project and facilities managers, and other service providers.

The Real Estate Committee has three primary objectives around which its activities are structured: to facilitate the exchange of information regarding real estate and development issues in Russia; to influence existing procedures in order to increase the attractiveness of foreign and domestic investments; and to establish a "bridge" between the AEB, the Moscow Government, the State Duma and other relevant governmental bodies.

During 2018 Committee members organised several major meetings and events:

- "Results and prospects in the field of legal regulation of commercial real estate";
- "Urban development" together with KB Strelka;
- "Smart living, smart working";
- "Intersec Forum Russia".

Throughout the year, the Committee together with the AEB North-Western Regional Committee continued to issue its magazine – the "Real Estate Monitor" on a quarterly basis.

## RETAIL TRADE COMMITTEE

<b>AIMS</b>	<ul style="list-style-type: none"> <li>• To provide support to AEB member companies operating in Russian trade.</li> <li>• To serve as a dialogue platform for member companies and other stakeholders on appropriate topics.</li> <li>• To develop a common industry stand on selected issues.</li> <li>• To lobby industry interests towards various stakeholders.</li> <li>• To keep member companies informed about relevant issues.</li> </ul>
<b>CHAIRPERSON</b>	<b>Alexey Grigoriev</b> , Vice President, METRO AG
<b>AEB MEMBER COMPANIES</b>	Auchan Russia; H&M Hennes & Mauritz LLC; IKEA Centres Russia; IKEA DOM LLC; Lenta LLC; LEROY MERLIN Russia; M.Video; METRO AG; OBI Russia.
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>9</b>

### COMMITTEE ACTIVITIES, 2018

The AEB Retail Trade Committee was established in 2010. The Committee deals with a number of sensitive industry issues affecting activities of foreign retailers operating on the Russian market. The issues considered during 2018 included self-regulation on the food market, regulation of trade, traceability system, state and municipal control legislation, quality system, cross-border e-commerce, healthy lifestyle, veterinary legislation, traceability and marking requirements, strategy of improving quality of food products and many others.

In 2018 Committee members had several meetings with experts and government officials, inter alia with:

- Anatoly Golomolzin, Deputy Head of the Federal Antimonopoly Service;
- Nikita Kuznetsov, Director of the Department of the development of domestic trade, the system of digital labelling of goods and the legalisation of product turnover, Ministry of Industry and Trade of the Russian Federation;
- Elena Chernyakova, Director of the Department of information technologies in the field of public and municipal finance management and information support of the budget process, Ministry of Finance of the Russian Federation;
- Andrey Sharonov, President of the Moscow School of Management Skolkovo;
- Andrey Kirillov, Centre for Prospective Technologies Development;
- AEB member companies and AEB experts.

In 2018 Alexey Grigoriev, Committee Chairman, participated in the:

- "Krasnoyarsk Economic Forum" on the issue of promising areas for development and business models relevant in 2018 (12.04);
- "Russian Retail Week" on the issue of trade development strategy (06.06);
- "Open Innovations" on the issue of intellectual retail, the future of trade (16.10);
- "St. Petersburg International Economic Forum" on the issue of small-medium business (23.11);
- Meeting with D. Kozak, Deputy Prime Minister of the Russian Federation on trade issues (26.11).

The AEB Retail Trade Committee members will continue to raise the industry's voice together with other AEB Committees.

## SAFETY, HEALTH, ENVIRONMENT & SECURITY COMMITTEE

<b>AIMS</b>	<ul style="list-style-type: none"> <li>• To promote international safety, health, environment &amp; security (SHES) standards and best practices among companies operating in Russia, and enhance relevant information exchange between European and Russian businesses through a common platform.</li> <li>• To advocate the Committee's position on the current state and proposed changes in the Russian SHES legislation through channels established by the AEB and in cooperation with other business associations.</li> <li>• To provide AEB members with regular updates on the key issues concerning the SHES sphere development and prospects.</li> </ul>	
<b>CHAIRPERSON</b>	<b>Valery Kucherov</b> , Partner, ERM Eurasia, Moscow Branch	
<b>AEB MEMBER COMPANIES</b>	<p>ABB; Alstom; Avon Beauty Products Company, LLC; Awara; BASF; Beiten Burkhardt Moscow; BP; Boehringer Ingelheim LLC; Control Risks; Corporate Counselling Services Sarl; Corporate Health LLC; Creditreform RUS; CRH; Deloitte; Deutsche Bank Ltd.; DHL Express; DuPont Science and Technologies; Egorov Puginsky Afanasiev &amp; Partners (EPAM); Elite Security GmbH; Enel Russia OJSC; ERM (Environmental Resources Management); FENICE RUS LLC; Fircroft; GRATA Law Firm; Guard-R; HeidelbergCement RUS; IKEA Shopping Centres Russia; International Road Transport Union, Permanent Delegation to Eurasia; International SOS; John Deere Rus, LLC; Komatsu CIS; Manpower Group; Michelin; MIG Business Security Strategies; Noerr OOO; Nokia Solutions and Networks; Norton Rose Fulbright (Central Europe) LLP; Novartis Group; Orange Business Services; Orion Pharma LLC; Pepeliaev Group, LLC; PwC; Repsol Exploracion S.A.; RichartsMeyer; Risk Advisory Group Plc.; Robert Bosch; Rockwool; Saint-Gobain CIS; Sanofi Russia; Schneider Electric; SGS Vostok Limited; Shell Exploration and Production Services (RF) B.V.; Statoil ASA; TNT Express Worldwide (CIS) Ltd.; Toyota Motor, OOO; Uniper Global Commodities SE; VISA; Wienerberger.</p>	
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>10</b>	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>AEB events</b>	<b>Date</b>
	Open event "Cyber security checkups"	20.03.2018
	Round table "Fire safety: prevention and tips"	27.06.2018
	Round table: "Industrial fire safety"	04.10.2018
	Open event "Waste management: practical experience and new in state regulations"	19.10.2018



<b>AEB OPEN EVENTS ORGANISED</b>	<b>AEB external events</b>	
	AEB round table within the Russian Health and Safety Week "Key issues and best practices in HSE: experience of European companies in Russia"	10.04.2018
	Round table "Ecology and circular economy" within the Northern Dimension Forum (St. Petersburg)	06.04.2018
	Open meeting on security issues	01.10.2018
	"Intersec Forum Russia"	08.11.2018

## **COMMITTEE ACTIVITIES, 2018**

The Committee is composed of a number of companies specialising in various areas such as environmental protection, health & safety, security & risk management. The Committee is divided into 4 subsections – the Security Subcommittee, the Environmental Subcommittee, the Health & Safety Subcommittee and the Climate Policy Working Group.

In 2018 all Subcommittees were proactive and organised 8 different events. The Environmental Subcommittee held a big conference on waste collection and processing with the participation of the representatives of the Ministry of Natural Resources and Environment as well as the Ministry of Industry and Trade.

The Security Subcommittee focused on digital protection and security checks matters. The Health & Safety Subcommittee held two round tables on fire safety due to the high importance of the issue for the business in 2018, and a round table at the Russian Health and Safety Week 2018 "European companies H&S best practices". The Committee traditionally participated in the round table "Ecology and circular economy" organised within the Ninth Northern Dimension Forum in St. Petersburg.

The Committee actively worked on enhancing cross-committees activities. For example in cooperation with the AEB Real Estate Committee, the Subcommittee organised the "Intersec Forum Russia" – first ever international forum related to security automation systems. Climate policy issues were actively discussed with the participation of the Energy Efficiency Committee.

In Q3 2018, the Committee prepared the Business Quarterly magazine "Safety, Health, Environment & Security".

In 2018 the Committee initiated a number of lobbying letters on issues that were of special importance for its members, including employees' medical checks legislation and implementation of the waste management legislation.

## SEED COMMITTEE

<b>AIM</b>	The aim of the Committee is to represent and lobby for its members' interests based on a consolidated position on the key issues of selection and seed growing through interaction with government bodies, public organisations, branch associations and unions to create and support a favourable climate for business development.
<b>CHAIRPERSON</b>	<b>Vladimir Druzhina</b> , Head of East Europe Corn & Oil Crops, KWS
<b>DEPUTY CHAIRPERSON</b>	<b>Denis Zhuravskiy</b> , Head of GR Russia, Syngenta
<b>AEB MEMBER COMPANIES</b>	Bayer; KWS; Limagrain; Pioneer Hi-Bred Rus; Syngenta.
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>4</b>

### COMMITTEE ACTIVITIES, 2018

#### Improving the state crop variety trial system

The Committee continues interacting with the Russian State Commission, the State Commission for Selection Achievements Test and Protection (Gossortkomissiya) in the framework of the Memorandum on Cooperation.

Three meetings on the issues of the state procedure of seed and hybrid trials and registration were organised with the Head of the State Commission and his Deputies on 6 March 2018, 25 May 2018, 14 December 2018. The last meeting was chaired by the new Director of the Department of Crop Production, Mechanisation, Chemicalisation and Plant Protection R. Nekrasov, that demonstrated interest of the Department in the cooperation with the AEB.

## SMALL & MEDIUM-SIZED ENTERPRISES COMMITTEE

<b>AIMS</b>	The Committee unites and represents the interests of the Association's small and medium member companies. The Committee aims to identify the specific needs of European SMEs operating on the Russian market and promote fair business rules by leveraging ethical and effective inter-company cooperation and information exchange. The ultimate goal is to improve the business climate for SMEs in Russia so they can act as an additional driving force for economic growth and modernisation.	
<b>CHAIRPERSON</b>	<b>Tadzio Schilling</b> , Associate Director, Business Development, Foreign Desk Organisation, EY	
<b>AEB MEMBER COMPANIES</b>	Alinga Consulting; Allianz IC OJSC; ALPE consulting LLC; ALRUD Law Firm; Antal; Arivist; Banca Intesa; Brother LLC; Center-invest Bank; Citibank AO; Credendo – Ingosstrakh Credit Insurance LLC; Creon Capital S.a.r.l; Delegation of the European Union; Dentons; DHL Express; EY; Finexpertiza; Foodcard; IE Business School; Intermark Relocation; INVESTMENT COMPANY IC RUSS-INVEST; IWM; Legrand Group; MAI Insurance Brokers; ManpowerGroup Russia & CIS; Mazars; Messe Frankfurt Rus Ltd.; MOST SERVICE, member of Bruck Consult; NOBLE HOUSE Group Russia; Nordea Bank; Oriflame; Philip Morris Sales and Marketing; Publicity Consulting Group, an ECCO Network Affiliate in Russia; PwC; Qmatic AB; Raiffeisen-Leasing; Raiffeisenbank AO; RH PARTNERS; Rödl & Partner; SCHNEIDER GROUP; SECRETAN TROYANOV SCHAEER S.A.; Stupino 1 Industrial Park; TABLOGIX; TechSert; TMF Group; TNT; Troika Relocations Ltd.; TSAR VOYAGES; Volvo Cars LLC; VSK Insurance Joint Stock Company.	
<b>NUMBER OF COMMITTEE MEETINGS</b>	2	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>AEB external events</b>	<b>Date</b>
	Panel session within the IV Russian Small and Medium-Sized Enterprises Forum (SME Forum) in the framework of the SPIEF 2018	23.05.2018
	First Forum of family entrepreneurs "Successful family – successful Russia!" (Moscow)	02.10.2018
	SME Business Forum "Time for SMEs" (Krasnodar)	18-19.10.2018
	International conference "European investors in production projects in Russia" (Moscow)	30.11.2018
	VI International Conference "Foreign economic activities as a factor for efficient development of small and medium enterprises in Russian regions" (Khabarovsk)	06-07.12.2018

### COMMITTEE ACTIVITIES, 2018

In 2018, the AEB Small & Medium-Sized Enterprises Committee's particular attention was paid to enhancing its participation in SME-focused external events, and to building partnerships with relevant federal authorities, in particular, with the Ministry of Economic Development of Russia, and with the following business associations: Chamber of Commerce and

Industry of the Russian Federation (CCI), German-Russian Chamber of Commerce (AHK), American Chamber of Commerce (AmCham), Moscow Entrepreneurs Association (MEA).

On 23 May 2018, Tazio Schilling, Chairman of the AEB Small & Medium-Sized Enterprises Committee, Associate Director, Business Development, EY, took part in the panel session "Readiness of Russian society, government and business for the digital economy" with the presentation entitled "European SMEs in Russia – partners for sustainable, inclusive and digital growth". The session was organised within the IV Russian Small and Medium-Sized Enterprises Forum (SME Forum) in St. Petersburg, which took place on the eve of the St. Petersburg International Economic Forum (SPIEF). The session was moderated by Dmitry Sazonov, Deputy Chairman, Committee of the State Duma of the Federal Assembly of the Russian Federation on economic policy, industry, innovative development, and entrepreneurship. The general discussion within the session encompassed the following topics: compliance of the Russian Federation's digital economy programme with the demands of business, the level of use, readiness of the government and Russian companies to transfer to digital technologies, economic and social aspects of digitalization.

On 2 October 2018, Tazio Schilling, AEB SME Committee Chairman, took part in the First Forum of family entrepreneurs "Successful family – successful Russia!" organised by the Chamber of Commerce and Industry of Russia. In the session devoted to the experience of European countries in running family businesses – SMEs, moderated by Georgy Petrov, Counselor to the President of the Chamber of Commerce and Industry of Russia, Mr. Schilling delivered a presentation "Family businesses in the current economic environment. Between adaptation and disruption". The importance of family businesses to the European economy, due to their large share in Europe's GDP, cannot be underestimated. They are essential to growth and employment creation. The participants of the conference discussed the specifics of family businesses in Europe, including the historical aspects of their establishing, criteria for success, current driving forces and challenges related to digitalization, globalisation and localisation trends. The privileges for family SMEs in European legislation and financing terms were highlighted as the factors contributing to the favourable business environment for SMEs.

On 18-19 October 2018, the AEB Small & Medium-Sized Enterprises Committee took part in the SME business forum "Time for SMEs" organised by the Ministry of Economic Development of Russia and held in Krasnodar. "Time for SMEs" is a federal level platform aimed at boosting the dialogue between businesses and government at different levels. The two-day business programme encompassed the sessions attended by high-level speakers representing Russian federal and regional authorities, public and business associations, successful entrepreneurs and business coaches.

On 30 November 2018, the AEB Small & Medium-Sized Enterprises Committee took part in the AEB supported event – International Conference "European investors in production projects in Russia" co-organised by the Ministry of Economic Development of Russia, the Russian Foreign Trade Academy and the long-term integrated business partnership matchmaking programme "Russia-Europe: cooperation without frontiers" operated by the Moscow Entrepreneurs Association. In the session entitled "Current status and prospects of investment cooperation between Russia and EU countries", Stuart Lawson, Member of the AEB Board, Chairman of the AEB Finance & Investments Committee, Senior Advisor, EY, delivered a presentation "European companies' strategies in Russia". Ruslan Kokarev, AEB Deputy CEO – Chief Operating Officer, delivered a presentation "The role of the AEB in supporting foreign direct investments into the Russian economy".

The AEB Small & Medium-Sized Enterprises Committee took part in the VI International Conference "Foreign economic activities as a factor for efficient development of small and medium enterprises in Russian regions" held by the Ministry of Economic Development of Russia in Khabarovsk on 6-7 December 2018. In the plenary session, Paul Bruck, Deputy Chairman of the AEB Board, President, Most Service and Most Management, delivered a presentation "Positive trends in investment climate and reduction of administrative barriers. Continued hurdles for SMEs". In his speech, Mr. Bruck focused on positive trends in investment climate despite sanctions; importance of SMEs in the economy; SME structure in Russia; chances for SMEs in all areas of supply chain and professional services; continued bureaucratic barriers towards business set up. In the session organised in cooperation with the American Chamber of Commerce and the German-Russian Chamber of Commerce (entitled "Foreign businesses in Russia: challenges and perspectives") Mr. Bruck took part as a panelist.

## SOUTHERN REGIONAL COMMITTEE

<b>AIMS</b>	<ul style="list-style-type: none"> <li>• To promote and strengthen the AEB business reputation in the region.</li> <li>• To interact with authorities.</li> <li>• To interact with key non-governmental partners.</li> <li>• To create an effective platform for business communication.</li> </ul>	
<b>CHAIRPERSON</b>	<b>Oleg Zharko</b> , Regional Corporate Affairs Director, Danone Russia	
<b>DEPUTY CHAIRPERSONS</b>	<b>Ralf Bendisch</b> , General Director, CLAAS; <b>Igor Brener</b> , Client HR Manager, Cargill Russia & Ukraine; <b>Lubov Popova</b> , Adviser, VEGAS LEX	
<b>AEB MEMBER COMPANIES</b>	<p>ABB; Advocates Bureau Yug; Allianz IC OJSC; ANCOR; Atos; Banca Inteza; BASF; Bayer ZAO; BONDUELLE Kuban; Cargill; Center-invest Bank; CHEP RUS LLC; CLAAS OOO; Danone Russia; Ergo Insurance Company; EY; IKEA Shopping Centres Russia (MEGA Adygea-Kuban shopping mall); Knauf South sales direction – regional office of Knauf Gips Ltd. (Krasnodar); KPMG; KrasnodarEXPO (Part of the ITE LLC Moscow); KWS RUS LLC; Legrand Group; Limagrain RU LLC; Liniya Prava Law Firm; Mercuri International; Monsanto Rus LLC; Nestle Kuban LLC; OTP Bank; Philip Morris Kuban OAO; Philips LLC; PwC; Raiffeisenbank AO; Rosbank; Schneider Electric; Siemens LLC; SOGAZ Insurance Group; Syngenta OOO; Tebodin Eastern Europe B.V.; UniCredit Bank AO; VEGAS LEX Advocate Bureau; VimpelCom PJSC (Beeline); Volvo Cars LLC; VSK IOJSC; YIT Construction.</p>	
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>11</b>	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>AEB events</b>	<b>Date</b>
	Conference in the framework of the programme "Time for new strategies" – "Sustainable development of territories: synchronisation of business, society and government activity"	02.03.2018
	Conference in the framework of the programme "Time for new strategies" – "Sustainable development of territories: Krasnodar agglomeration"	26.04.2018
	HR conference in the framework of the programme "Time for new strategies" – "Sustainable development of territories: modern requirements to the management of human capital"	07.06.2018
	Strategic session: Business school project development	11.09.2018
	Conference in the framework of the programme "Time for new strategies" – "Strategy for socio-economic development of the Krasnodar region: problems and prospects of implementation"	26.10.2018
	AEB Day in Krasnodar	28.11.2018
	Conference in the framework of the programme "Time for new strategies" – "Corporate volunteering as an element of sustainable business and territory development strategy"	07.12.2018

<b>AEB OPEN EVENTS ORGANISED</b>	<b>AEB external events</b>	
	Graduation ceremony in the Kuban State Agrarian University Business School 2017-2018	25.04.2018
	Graduation ceremony in the Kuban State Technological University Business School 2017-2018	27.04.2018
	Presentation of the Annual Report on work with foreign investors at the Regional Foreign Investment Advisory Council meeting	27.04.2018
	Round table "Intercultural communication in business" at the Kuban State University	13.06.2018
	Presentation of the Kuban State Technological University Business School	12.09.2018
	Presentation of the Kuban State Agrarian University Business School	13.09.2018
	Opening ceremony of the Kuban State Agrarian University Business School 2018-2019	25.09.2018
	Opening ceremony of Kuban State Technological University Business School 2018-2019	26.09.2018
	Round table "Professional training in the Kuban State University"	19.12.2018

## **COMMITTEE ACTIVITIES, 2018**

The Committee was created in 2003 to ensure that investors are able to utilise the investment opportunities in the region to their fullest potential. Currently the Committee unites 44 companies: leading foreign investors, international banks and consulting companies that have affiliates operating in Krasnodar, Rostov-on-Don and the Adygei Republic.

On 28 November 2018, the AEB Day in Krasnodar was held and the 15<sup>th</sup> anniversary of the AEB Southern Regional Committee was celebrated.

In 2018, SRC member companies actively participated in elaborating of the development strategy of the Krasnodar region 2030 and were involved in the work of the Regional Foreign Investments Advisory Council under the Governor of the Krasnodar region. AEB member companies lead the working groups established under the Council.

In addition, representatives of the AEB SRC member companies are:

- members of the Council on Improvement of Investment Climate under the Governor of the Krasnodar region;
- members of the Regional Expert Group "Agencies of Strategic Initiatives" on implementation of investment standards in the Krasnodar region;
- members of the Council on Industrial Policy under the Governor of the Krasnodar region;
- members of the Expert Committee of the Legislative Assembly of the Krasnodar region;
- members of the Public Editorial Board of the "Yug Times";
- members of the Trustee Board of Business schools of the Kuban State Technological and the Kuban State Agrarian Universities.

The Southern Regional Committee continued its activities in the field of HR issues, strengthening collaboration with universities with the support by AEB member companies of the Business Schools of the Kuban State Technological and the Kuban State Agrarian Universities.

In summary, the Southern Regional Committee is recognised as a leading representative of international companies and investors in the region with high business reputation.

## TAXATION COMMITTEE

<b>AIMS</b>	<ul style="list-style-type: none"> <li>• To monitor development of tax system in the Russian Federation.</li> <li>• To inform AEB members on important changes to the tax legislation and tax practice.</li> <li>• To organise regular meetings, open events and conferences for European and Russian companies.</li> <li>• To present the leading international practices in the taxation sphere in Russia.</li> <li>• To formulate and present the AEB position on taxation issues.</li> <li>• To cooperate with relevant governmental bodies on tax issues and tax administration.</li> </ul>	
<b>CHAIRPERSON</b>	<b>Alina Lavrentieva</b> , Partner, PwC	
<b>DEPUTY CHAIRPERSON</b>	<b>Vadim Zaripov</b> , Head of Analytical Department, Pepeliaev Group LLC	
<b>AEB MEMBER COMPANIES</b>	<p>AGRANA Fruit Moscow Region; Akzo Nobel Coatings LLC; Alinga Consulting Group; Alkor and Co; Alrud; Andrey Gorodissky And Partners Law Firm; AstraZeneca Ltd.; Auchan; Baker Botts LLP.; Baker McKenzie CIS Ltd.; BCLP; Beiten Burkhardt; BMW Russland Trading OOO; Boehringer Ingelheim Pharma GmbH; Boiron; British American Tobacco Russia; BSH; Clifford Chance; CMS Russia; Continental Tires RUS; Debevoise and Plimpton; Deloitte; Delonghi; Dentons; Dewey &amp; Le-Boeuf; DHL Express; DLA Piper; DuPont Science &amp; Technologies LLC; Electrolux; Enel; Ernst &amp; Young (CIS) B.V.; Egorov, Puginsky, Afanasiev &amp; Partners; Ferrero; Gide Loyrette Nouel; HSBC; IKB Leasing; IKEA; KIAP; KPMG; L’Oreal; Mazars; Mercedes-Benz Financial Services; Messe Frankfurt Rus OOO; Metro Cash &amp; Carry; M.Video; Nissan Manufacturing; NORD OUTSOURCING; Noerr; OBI Russia; Pavia &amp; Ansaldo; Pepeliaev Group; Procter &amp; Gamble; PwC; Rödl &amp; Partner; Sanofi; SCHNEIDER GROUP; Shell; YUST; VW; Zentis Russland.</p>	
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>7</b>	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>AEB events</b>	<b>Date</b>
	"The responsibility of companies' executives for tax violations: survive and win"	14.03.2018
	"Development of the Russian tax system: results of the first half of 2018 and perspectives"	06.07.2018
	"Intra-group transactions: challenges and trends"	25.10.2018
	"Development of the Russian tax system: results of 2018 and perspectives"	19.12.2018



<b>AEB OPEN EVENTS ORGANISED</b>	<b>AEB external events</b>	
	Participation in the Federal Tax Service Foreign Investors Advisory Council's meetings	19.10.2018 26.11.2018
	Workshop of the Taxation Committee within the AEB Day in Krasnodar	28.11.2018
	RSPP International Cooperation and Investments Council's meeting	11.12.2018

## **COMMITTEE ACTIVITIES, 2018**

The Taxation Committee deals with the most up-to-date taxation issues introduced by the Russian Government and proactively develops solutions in close cooperation with the Ministry of Finance and the Federal Tax Service.

In 2018 the Taxation Committee held 7 working meetings and 4 business events, which were of great value to the European and Russian executives. High-level representatives of the Russian Federal Tax Service, with whom the Committee had developed long-standing cooperative relationships, were invited to speak at the meetings and events. Daniil Egorov, Deputy Head of the Federal Tax Service, took part in the Semiannual Conference on 6 July 2018 and discussed international taxation issues with the Committee members.

The Committee identified taxation issues that were of great concern for international companies – VAT on e-commerce, application of beneficial ownership concept, economic justification of expenses for taxation and tax control purposes, application of Article 54.1 of the Russian Tax Code, to name just a few, and addressed them to the state authorities.

The Committee was active in terms of joint activities with the AEB working structures and partners. In cooperation with all interested Committees, the Taxation Committee prepared a query to the Governors of 34 regions of Russia regarding movable property taxation starting from 2018 and received respective replies from almost all regions. The Committee also held a workshop on taxation issues at the AEB Day in Krasnodar and participated in the RSPP's project – "Corporate Taxation Award".

In October 2018, the Federal Tax Service established the Foreign Investors Advisory Council under the supervision of Mikhail Mishustin, Head of FTS. The Council comprises the representatives of major business associations standing for foreign investors operating on the Russian market, and the AEB Taxation Committee was invited to take part. The Council was established in order to have a dialogue between the leadership of the Federal Tax Service and the representatives of foreign investors, and conduct joint work on improving the business climate in Russia. The Council will meet on a regular basis and will discuss the most topical tax legislation application issues.

The Committee initiated and published the following alerts: on movable property tax exemption extension status in selected regions of the Russian Federation in 2018-2020 (13.06.2018); on the AEB position regarding the guidance on beneficial ownership confirmation issued by the Federal Tax Service (12.07.2018); on the Federal Tax Service Foreign Investors Advisory Council (02.11.2018).

## TOBACCO PRODUCTS WORKING GROUP

<b>AIM</b>	To promote the interests of AEB member companies in the tobacco production sector through governmental liaison and advocacy activities.
<b>CHAIRPERSON</b>	<b>Georgy Soustin</b> , Director of Corporate and Legal Affairs Department, Imperial Tobacco Sales and Marketing
<b>AEB MEMBER COMPANIES</b>	British American Tobacco Russia; Imperial Tobacco Sales and Marketing; JTI Russia; Philip Morris Sales & Marketing.
<b>NUMBER OF WORKING GROUP MEETINGS</b>	<b>7</b>

### WORKING GROUP ACTIVITIES, 2018

In 2018, the Working Group activities were focused on aligning and presenting to relevant stakeholders the WG's position on the following issues:

- introduction of track and trace system;
- new generation products regulation;
- international and local tobacco control initiatives;
- MRP and minimum retail sales price regulation;
- next excise cycle;
- countering illicit trade.

## WORKING GROUP ON MODERNISATION & INNOVATIONS

<p style="text-align: center;"><b>AIMS</b></p>	<ul style="list-style-type: none"> <li>• To assist companies involved in research and development in Russia.</li> <li>• To represent the interests of the R&amp;D community and executives in this sphere.</li> <li>• To develop recommendations for regulations and the legal framework in order to improve conditions for the activities of foreign investors.</li> <li>• To exchange information between companies on modernisation and innovative trends in Russia, various international practices and political methods and their application in Russian conditions.</li> <li>• To share experience in the sphere of collaboration with Russian innovation and educational centres, intellectual property, commercialisation of innovations, and production of prototypes.</li> <li>• To attract sources of innovation and human resources, including the identification of opportunities to raise capital through Russian and foreign channels of financing.</li> </ul>	
<p style="text-align: center;"><b>CHAIRPERSON</b></p>	<p><b>Michael Akim</b>, Vice President on Strategic Development, ABB Russia</p>	
<p style="text-align: center;"><b>DEPUTY CHAIRPERSON</b></p>	<p><b>Aage V. Nielsen</b>, Member of the AEB CNR; Managing Director &amp; Senior Partner, Vitus Bering Management Ltd.</p>	
<p style="text-align: center;"><b>AEB MEMBER COMPANIES</b></p>	<p>ABB; American Institute of Business and Economics; Andrey Gorodissky and Partners Law Firm; Atlas Copco JSC; BearingPoint OOO; Caterpillar Eurasia LLC; Credendo – Ingosstrakh Credit Insurance LLC; DELCREDA; Delegation of the European Union to Russia; Deloitte CIS; Detecon International GmbH; Dow Europe GmbH Representation office; DuPont Science and Technologies; EDF Russie; Enel Russia; ERGO Insurance Company; Eversheds Sutherland; EY; Ferrero Russia CJSC; Ford Sollers Holding LLC; Gasunie; GE (General Electric International (Benelux) B.V.); ISG support-GUS GmbH; Johnson Matthey PLC; Legrand Group; Liniya Prava Law Firm; Merck; Nokia; PEAC Leasing AO; PBN Hill+Knowlton Strategies; Philips LLC; PwC; Saint-Gobain CIS; Samsung Electronics; Schneider Electric; SCHNEIDER GROUP; Servier; Siemens; Solvay S.A.; TABLOGIX; TMF Group; Tekes – the Finnish Funding Agency for Innovation; TMF Group; United Technologies International Operations, Inc., Representative Office; Vitus Bering Management Ltd.</p>	
<p style="text-align: center;"><b>NUMBER OF WORKING GROUP MEETINGS</b></p>	<p style="text-align: center;"><b>3</b></p>	
<p style="text-align: center;"><b>AEB OPEN EVENTS ORGANISED</b></p>	<p><b>AEB events</b></p>	<p><b>Date</b></p>
	<p>Round table “Energy. Digital technologies in energy” organised within the Ninth Northern Dimension Forum in St. Petersburg</p>	<p>05.04.2018</p>
	<p>Round table “Labour productivity in Russia”</p>	<p>29.10.2018</p>

AEB OPEN EVENTS ORGANISED	AEB external events	
	Panel session "The revolution in the development of transport. Will digitalization and greening lead to a change of business model?" organised within the Open Innovations Forum 2019	16.10.2018
	Meeting with Grigory Trubnikov, First Deputy Minister of Science and Higher Education of Russia, presentation of Russia's new national project "Science" and Russia's new State Programme for Science & Technology Development organised by the EU Delegation to Russia	14.12.2018

## WORKING GROUP ACTIVITIES, 2018

On 5 April 2018, the AEB Working Group on Modernisation & Innovations held its round table entitled "Energy. Digital technologies in energy", which was organised within the Ninth Northern Dimension Forum in St. Petersburg. The event was moderated by Michael Akim, Chairman of the AEB Working Group on Modernisation & Innovations, Vice President on Strategic Development, ABB Russia.

On 16 October 2018, the AEB Working Group on Modernisation & Innovations held its panel session entitled "The revolution in the development of transport. Will digitalization and greening lead to a change of business model?", organised within the Open Innovations Forum 2019. The session was moderated by Michael Akim, Chairman of the AEB Working Group on Modernisation & Innovations, Vice President on Strategic Development, ABB Russia. The panelists to the session discussed the following topics: megatrends of interdependence of the new generation technologies applied in transport, urban planning, and energy supply systems; prospects for the development of environmentally friendly transport in Russia: electric vehicles, electric buses, commercial and freight electric transport; main mechanisms of state support at legislative, regulatory and administrative levels in terms of widespread use and production of environmentally friendly transport in Russia, including both road and rail, water, and air transport.

On 29 October 2018, the AEB Working Group on Modernisation & Innovations held its open event – a round table entitled "Labour productivity in Russia". The event aimed at discussing the governmental policies to improve labour productivity in Russia, and the practical steps that could be made by businesses to solve productivity issues. The participants discussed the priority programme on the increase of labour productivity in Russia, practical aspects to contribute to the improvement of productivity in Russian businesses, and the impact of technological progress on labour demand in terms of the opportunities and challenges related to automation processes.

On 14 December 2018, the members of the AEB Working Group on Modernisation & Innovations took part in the meeting with Grigory Trubnikov, First Deputy Minister of Science and Higher Education of Russia, organised by the EU Delegation to Russia. The meeting provided a good opportunity for getting comprehensive first-hand information and for discussing Russia's new national project "Science" and Russia's new State Programme for Science & Technology Development, and to discuss Russia's priorities in this field.

## WORKING GROUP ON THE REGULATION OF CHEMICAL PRODUCTS

<p><b>AIMS</b></p>	<ul style="list-style-type: none"> <li>• The purpose of the establishment of the Working Group is to harmonise EU and EAEU regulation on the safety of chemical products, so that to escape additional barriers for European manufacturers doing business in Russia.</li> <li>• TR EAEU 041/2017 "On the safety of chemical products" (adopted by the EEC Decision No. 19 on 3 March 2017) and the main problems related to it.</li> </ul>
<p><b>CHAIRPERSON</b></p>	<p><b>Anna Trunina</b>, Product Safety and Compliance Specialist, Dow Europe GmbH Representative office</p>
<p><b>AEB MEMBER COMPANIES</b></p>	<p>Akzo Nobel Coatings LLC; Avon Beauty Products Company; BASF; British American Tobacco Russia; Caterpillar; Continental Tires LLC; Dow Europe GmbH Representative office; Dupont Science and Technologies LLC; Evonik Industries; Hempel; Henkel Rus; John Deere Rus; JTI Russia; LANXESS OOO; KNAUF; Merck LLC; Michelin; PPG Industries; Procter &amp; Gamble; Rockwool; Solvay; Wabtec Corporation.</p>
<p><b>NUMBER OF WORKING GROUP MEETINGS</b></p>	<p><b>4</b></p>

### WORKING GROUP ACTIVITIES, 2018

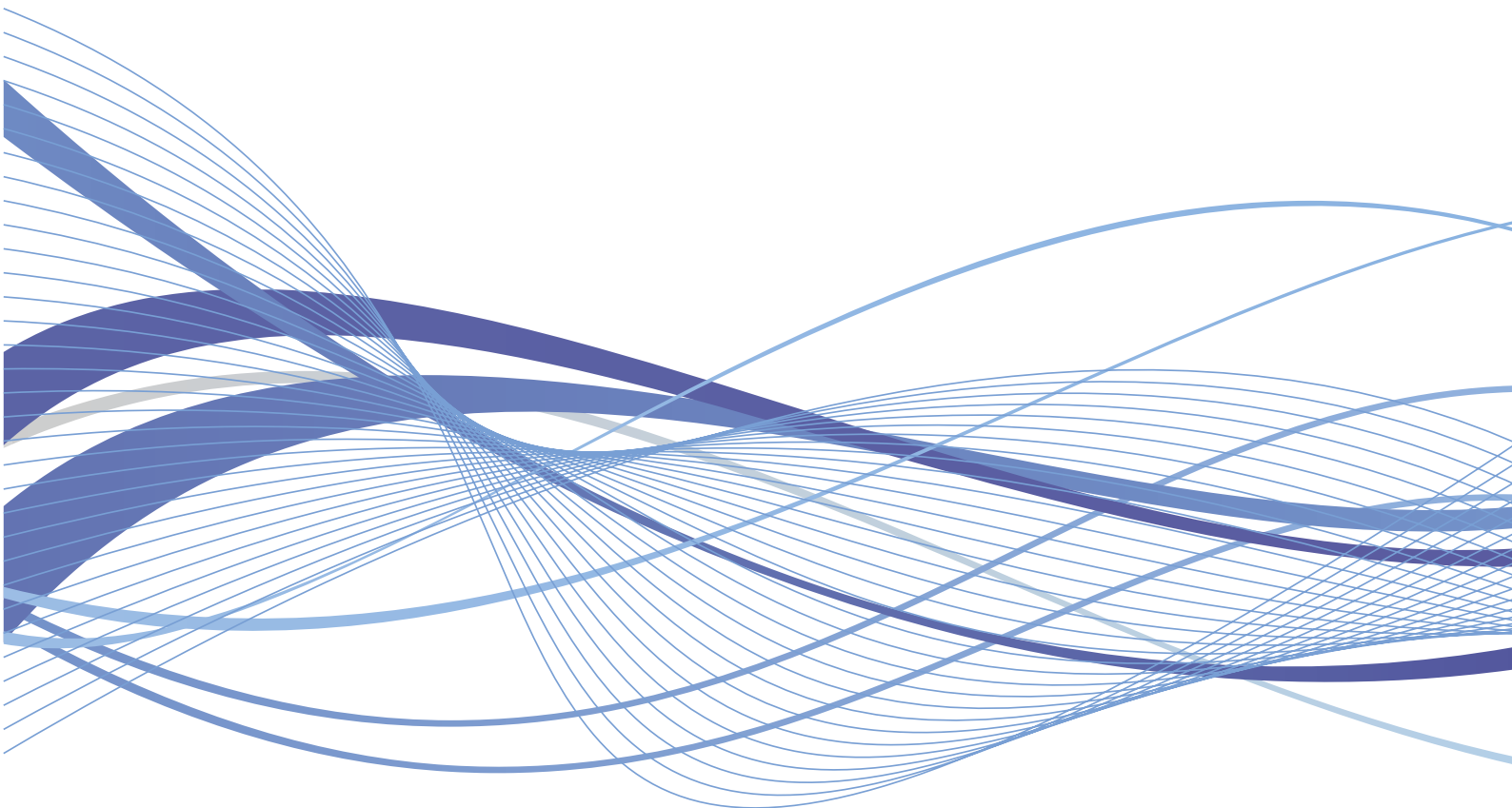
In 2018, the Working Group on the Regulation of Chemical Products focused its lobbying efforts on refinement of Technical Regulation for Chemical Products 041/2017 and "second level" documents to it, i.e. standards and procedures.

The WG representatives participated in the meeting on development of "second level" documents that was organised by the Eurasian Economic Commission Expert Group on TR 041/2017 in Astana on 11-12 July 2018.

The WG also contributed to formulation of the joint position on TR 041/2017 by the Technical Committee 339 of the CIS Association which administers the TR and its implementation.

# Financial statements & Membership statistics

2018



# FINANCIAL STATEMENTS

## Consolidated statement of financial position as of December 31, 2018

	December 31, 2018 ( <sup>'000</sup> EUR)	December 31, 2017 ( <sup>'000</sup> EUR)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	39	46
Intangible assets	26	28
Investments in associates	139	42
Deferred tax assets	3	7
<b>Total non-current assets</b>	<b>207</b>	<b>123</b>
<b>Current assets</b>		
Other assets	37	25
Trade accounts receivable	9	27
Advances to suppliers	33	64
Other debtors	45	46
Cash and cash equivalents	3 351	3 062
<b>Total current assets</b>	<b>3 475</b>	<b>3 224</b>
<b>Total assets</b>	<b>3 682</b>	<b>3 347</b>
<b>LIABILITIES AND UNRESERVED FUND BALANCE</b>		
<b>Unreserved fund balance</b>	<b>1 947</b>	<b>1 704</b>
<b>Current liabilities</b>		
Prepaid membership fees and advances received	1 531	1 460
Trade payables	48	28
Provisions	156	114
Other liabilities	-	41
<b>Total current liabilities</b>	<b>1 735</b>	<b>1 643</b>
<b>Total liabilities and unreserved fund balance</b>	<b>3 682</b>	<b>3 347</b>

## Consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2018

	Year ended December 31, 2018 ( <sup>000</sup> EUR)	Year ended December 31, 2017 ( <sup>000</sup> EUR)
Membership fees	2 224	2 321
Events	164	195
Projects	355	361
Publications	11	14
Other revenues	56	67
<b>Total revenues</b>	<b>2 810</b>	<b>2 958</b>
Operating expenditures, net	(2 683)	(2 844)
<b>Operating profit</b>	<b>127</b>	<b>114</b>
Finance income	302	213
Share of profit of associates	107	47
<b>Profit before income tax</b>	<b>536</b>	<b>374</b>
Income tax expense	(59)	(60)
<b>Net profit for the year</b>	<b>477</b>	<b>314</b>
<b>Other comprehensive income</b>		
Foreign currency translation differences	(234)	(456)
<b>Other comprehensive loss</b>	<b>(234)</b>	<b>(456)</b>
<b>Total comprehensive income for the year</b>	<b>243</b>	<b>(142)</b>

## Consolidated statement of changes in unreserved fund balance for the year ended December 31, 2018

	December 31, 2017 ( <sup>000</sup> EUR)	Prior year profit/ (loss) ( <sup>000</sup> EUR)	Current year profit/ (loss) ( <sup>000</sup> EUR)	Foreign cur- rency transla- tion reserve ( <sup>000</sup> EUR)	December 31, 2018 ( <sup>000</sup> EUR)
<b>Unreserved fund balance</b>	<b>1 505</b>	<b>314</b>	<b>–</b>	<b>(115)</b>	<b>1 704</b>
Total comprehensive income/ (loss)	314	(314)	477	(235)	243
Including:					
Net profit/(loss)	314	(314)	477	–	477
Foreign currency translation differences	–	–	–	(234)	(234)
<b>Unreserved fund balance</b>	<b>1 819</b>	<b>–</b>	<b>477</b>	<b>(349)</b>	<b>1 947</b>



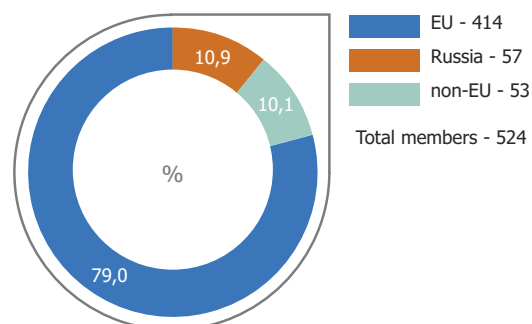
## MEMBERSHIP STATISTICS

### Members paid for 2018 sorted by country

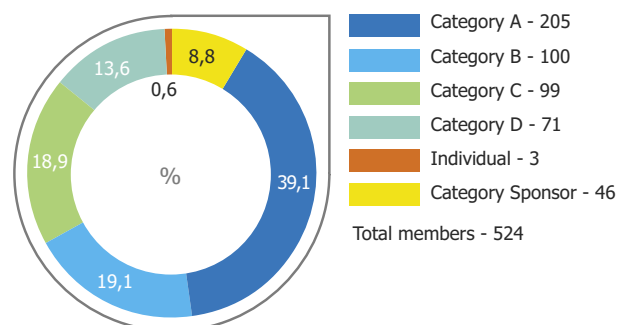
Country EU/EFTA	Total
Austria	13
Belgium	8
Bulgaria	1
Croatia	1
Cyprus	9
Czech Republic	2
Denmark	11
Finland	31
France	56
Germany	96
Greece	1
Hungary	7
Ireland	5
Italy	21
Luxembourg	2
Malta	1
Netherlands	41
Norway	1
Slovakia	2
Spain	6
Sweden	21
Switzerland	23
UK	55
<b>Total: 414</b>	

Country Non-EU/EFTA	Total
Australia	2
China	1
Israel	1
Japan	12
Republic of Korea	8
Russia	57
Singapore	1
Turkey	1
USA	27
<b>Total 110</b>	

### AEB members by country, 2018



### AEB members by category, 2018



# AEB SPONSORS 2019

Allianz IC OJSC  
Atos  
Bank Credit Suisse (Moscow)  
BP  
BSH Bytowyje Pribory  
Cargill Enterprises Inc.  
CHEP Rus  
Clifford Chance  
Continental Tires RUS  
Creon Capital S.a.r.l  
DuPont Science & Technologies  
Enel Russia  
ENGIE  
Eni S.p.A  
Equinor Russia AS  
EY  
FAURECIA Automotive Development LLC  
GE (General Electric International (Benelux) B.V.)  
HeidelbergCement  
ING Wholesale Banking in Russia  
John Deere Rus  
KPMG  
ManpowerGroup  
Mercedes-Benz Russia  
Merck LLC  
Messe Frankfurt Rus  
MetLife  
METRO AG  
Michelin  
Novartis Group Russia  
OBI Russia  
Oriflame  
Porsche Russland  
Procter & Gamble  
PwC  
Raiffeisenbank AO  
Shell Exploration & Production Services (RF) B.V.  
Signify  
SOGAZ Insurance Group  
Total E&P Russie  
Unipro PJSC  
VimpelCom PJSC (Beeline)  
YIT



