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of European
Businesses

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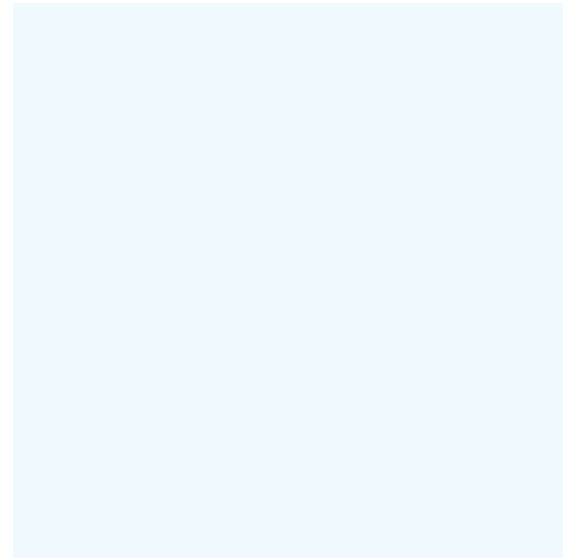
2023

ANNUAL **STRONGER TOGETHER** REPORT



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INTRODUCTION



**ILONA
ZEKELY**

CHAIRPERSON OF
THE BOARD, ASSOCIATION
OF EUROPEAN BUSINESSES



**TADZIO
SCHILLING**

CHIEF EXECUTIVE
OFFICER, ASSOCIATION
OF EUROPEAN BUSINESSES

DEAR VALUED READERS,

We are delighted to share with you the AEB Annual Report 2023, offering a concise yet comprehensive overview of the Association's activities throughout the year. The report highlights key AEB milestones, Committee and Working Group achievements, major events and activities, communication statistics, and membership analytics.

The motto "Stronger Together", introduced in 2022, proved to be more than fitting in the past year as well. Despite facing unprecedented challenges, we were able to strengthen our community by leveraging our collective experience and maintaining open channels of communication with stakeholders on all sides.

Based on data from the AEB Member Satisfaction Survey 2023, most companies (57%) identified AEB's capabilities regarding advocacy of European business interests in interaction with various government agencies as the main expected benefit related to AEB membership. About 21% of respondents selected networking as their number one priority. A further 15% of members put crisis response initiatives at the top of the list.

The Association rose to the challenge by organizing more than 150 formal meetings with public authorities, including at ministerial and vice PM levels, engaging with more than 200 decision-makers from Russia, EAEU and Central Asia on the sidelines of international conferences and forums. Additionally AEB Committees and Working Groups prepared and sent out more than 270 letters expressing key concerns or positions by European businesses active in Russia.

In terms of networking, the Association's events served a unique platform for exchanging views and building up business relations. In 2023, we organized more than 100 events for AEB members, including one flagship and several annual conferences with participation of top-ranked experts.

As part of our crisis response efforts, we produced over 240 AEB Daily newsletters, 16 AEB Legal Alerts and 13 Crisis Update webinars on sanctions and countermeasures – to provide members with timely information and comprehensive analysis on the most topical issues affecting foreign business in Russia.

We are grateful 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 dedicated work, commitment, and professionalism in support of the daily work and strategic development of the Association.

We also want to express our sincere gratitude to all AEB members for their continued loyalty and trust. It is only due to their tremendous support and targeted efforts that we could navigate through the current challenges. It is a great privilege for us to provide members with high-quality services to the best of our abilities. Together we can do a lot – the key thing is to have intention and a clear vision, because where there is a will there is a way.

AEB AT A GLANCE

28
YEARS OF WORK



94%

OF MEMBERS REPORT AEB EXCEEDED OR MET EXPECTATIONS*

6500

AEB COMMUNITY PARTICIPANTS



3 OFFICES IN RUSSIA

37 EMPLOYEES

381 MEMBERS

34 REPRESENTED COUNTRIES

900+ SUBSCRIBERS TO AEB TELEGRAM CHANNEL

5000+ MAILINGS TO MEMBERS

15 000+ DAILY READERS OF AEB NEWSLETTERS

100+ REGULAR EVENTS



150 000+ VISITS TO THE AEB WEBSITE

10 000+ MEDIA MENTIONS

8 PERIODICAL PUBLICATIONS

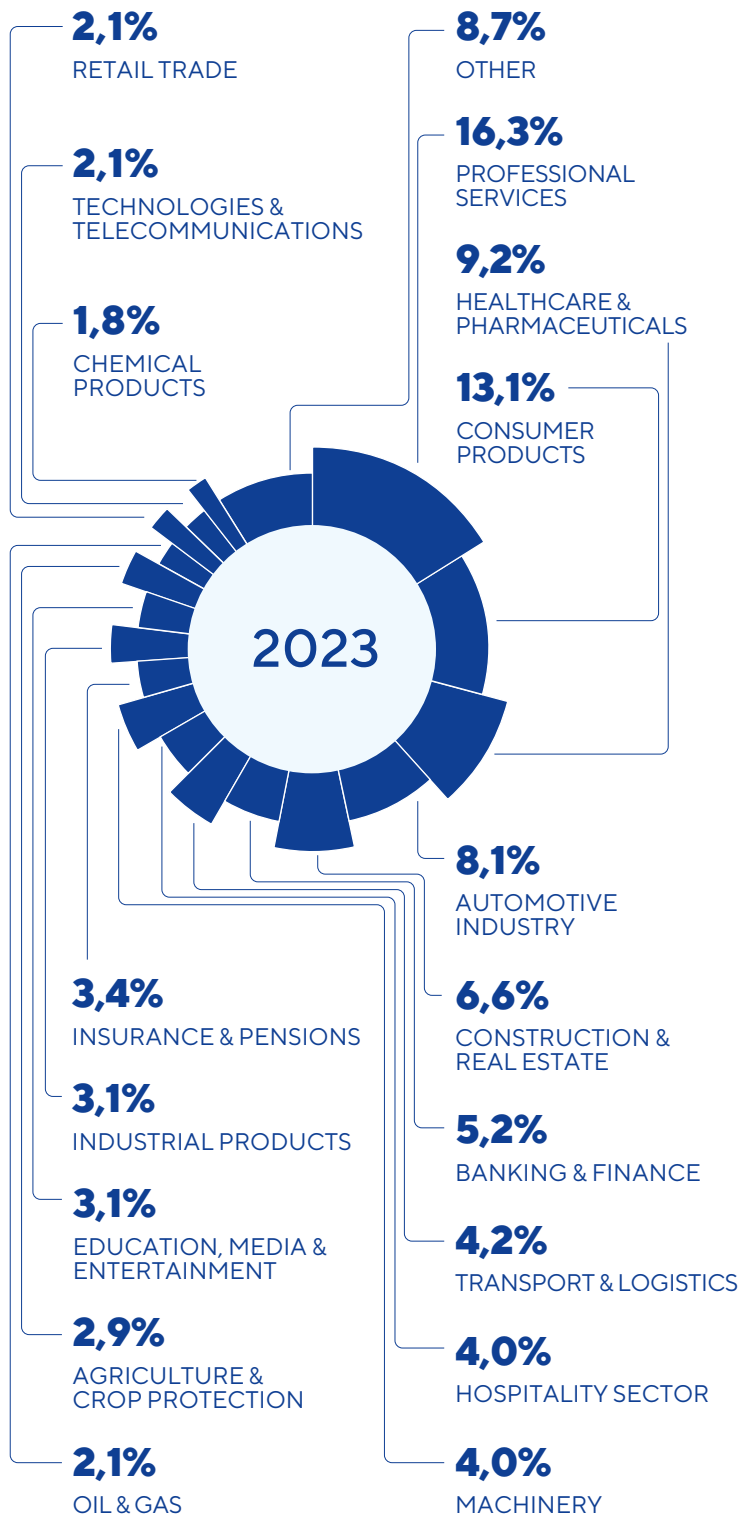


* Based on the AEB 2023 Member Satisfaction Survey

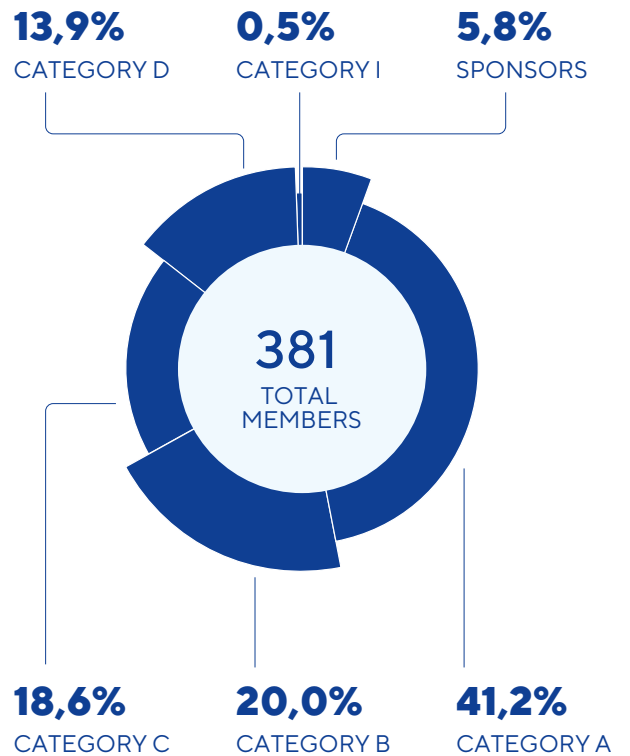
MEMBERSHIP STATISTICS



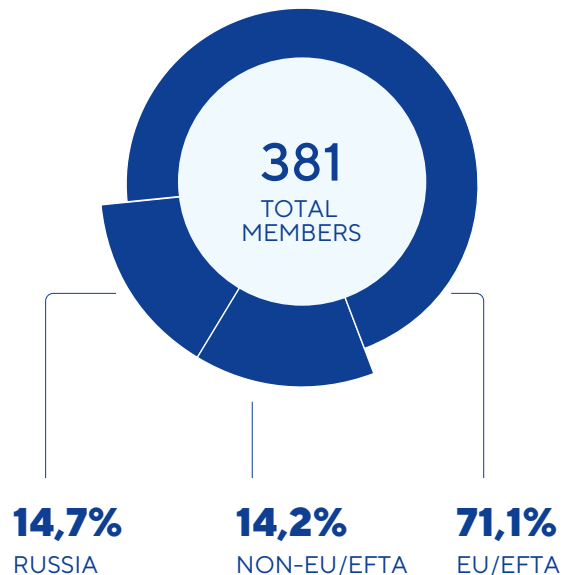
MEMBERS BY INDUSTRY



MEMBERS BY CATEGORY



MEMBERS BY COUNTRY



AEB 2023 MILESTONES



GR AGENDA

In 2023, AEB significantly intensified its regulatory agenda and augmented the number of GR related activities – in large part at the request of members.

The extensive GR calendar included participation in key conferences and major forums in Russia, EAEU and Central Asia with dozens of GR touchpoints on the margins; numerous calls and meetings with Russian public authorities and high-ranking officials; formal contacts with EAEU government agencies in the framework of the business missions.



IMPRESSIVE LOBBYING POWER:

80+

COMMITTEES, SUBCOMMITTEES, WORKING GROUPS

320+

COMMITTEES' AND WORKING GROUPS' MEETINGS

270+

LOBBYING LETTERS

ACCESS TO POLICY MAKERS:

200+

GR TOUCHPOINTS WITH DECISION MAKERS FROM RUSSIA, EAEU, CENTRAL ASIA

150+

HIGH-LEVEL MEETINGS



GR MEETINGS

MEETING WITH ANTON KOPYAKOV, ADVISER TO THE PRESIDENT OF RUSSIA

On February 20, 2023 the AEB leadership participated in a meeting with Anton Kobyakov, Adviser to the President of the Russian Federation, Executive Secretary of the Roscongress Organizing Committee.

The main topic of discussion was further cooperation with the Roscongress Foundation, as well as AEB's participation in major events.

Mr. Kobyakov noted that the productive dialogue between AEB and the Roscongress Foundation continued to develop under a very optimistic scenario. Strengthening the mechanisms of this dialogue could be meaningful, expanding opportunities for companies – in particular, through participation in various forums (St. Petersburg International Economic Forum, St. Petersburg International Legal Forum, Russia-Africa Forum, Eurasian Forum, etc.).



MEETINGS WITH VIKTORIA ABRAMCHENKO, DEPUTY PRIME MINISTER OF RUSSIA, AND SERGEY DANKVERT, HEAD OF THE FEDERAL SERVICE FOR VETERINARY AND PHYTOSANITARY SURVEILLANCE

On April 5, 2023 a working meeting between AEB representatives and Viktoria Abramchenko, Deputy Prime Minister of the Russian Federation, was organized.

The meeting was constructive and focused on the issues of new regulation in the field of seed production and extended producer responsibility for waste disposal. It was agreed that cooperation in these areas will continue.

On April 11, 2023 a working meeting with Sergey Dankvert, Head of the Federal Service for Veterinary and Phytosanitary Surveillance (Rosselkhoznadzor) took place.

The following issues were discussed at the meeting: new requirements for seed imports, new requirements in the field of safe pesticide handling, as well as the issue of solving the problem of turnover of spent pesticide canisters.

The participants from AEB presented a consolidated position and proposals on the identified topics.

As a result of the meeting, it was decided to continue cooperation between the organizations.

MEETING WITH ELVIRA NABIULLINA, HEAD OF THE CENTRAL BANK OF RUSSIA

On May 15, 2023 a meeting with Elvira Nabiullina, Governor of the Central Bank of the Russian Federation, was organized at the AEB conference center.

Alexander Liberov, AEB Board Chairman, delivered a welcome speech in which he focused on the constructive dialogue between the Association and the Head of the Central Bank of Russia, which started in 2019.

The meeting was moderated by the AEB CEO Tadzio Schilling.

Elvira Nabiullina highlighted major trends in the development of the financial and banking sectors in Russia, and answered numerous questions raised by the AEB member companies.



MEETING WITH ANTON SILUANOV, MINISTER OF FINANCE OF RUSSIA

On July 20, 2023 a briefing by Anton Siluanov, Minister of Finance of Russia, was organized. The AEB delegation was headed by Alexander Liberov, AEB Board Chairman.

The meeting covered a wide range of issues within the competence of the Russian Ministry of Finance. Thus, the participants discussed the peculiarities of the work of the subcommittee of the Government Commission for Control over Foreign Investments, windfall tax and other taxation issues. A separate block of issues touched upon the pharmaceutical industry and the financing of medicines provision.



BRIEFING BY MAXIM SHASKOLSKY, HEAD OF THE FEDERAL ANTIMONOPOLY SERVICE OF RUSSIA

On October 3, 2023 an annual briefing by Maxim Shaskolsky, Head of the Federal Antimonopoly Service of Russia, was organized at the AEB premises.

The meeting focused on the main trends in antimonopoly regulation in Russia. In particular, such topics as legal regulation, public procurement, trade regulation issues, control of financial markets, compulsory licensing and parallel imports, unfair competition and advertising, and international cooperation were discussed.



MEETING WITH DENIS MANTUROV, DEPUTY PRIME MINISTER – MINISTER OF INDUSTRY AND TRADE OF RUSSIA



On October 18, 2023 the AEB delegation headed by Tadzio Schilling, AEB CEO, had a meeting with Denis Manturov, Deputy Prime Minister – Minister of Industry and Trade of the Russian Federation.

The participants discussed the introduction of special economic measures against foreign goods, the planned introduction of quotas on pesticide imports to Russia, regulation of pharmaceutical products as well as tobacco products.

GR HIGHLIGHTS

CORPORATE AND FINANCIAL TRANSACTIONS: KEY CHANGES AND TRENDS

Special economic measures introduced in 2022 due to “unfriendly” actions of certain foreign states against the Russian Federation and Russian legal entities and individuals continued to apply in 2023. Some of the regulation, in particular, procedures and regulation of foreign exchange, counter-sanctions approval of transactions and financial operations between Russian companies and persons from “unfriendly” countries (including their controlled persons) had some development, tightening up and clarification.

AMENDMENT OF THE CORPORATE TRANSACTIONS APPROVAL PROCEDURE

The transactions aimed directly or indirectly at disposal of shares/participatory interests in Russian legal entities, entered into with persons of “unfriendly” foreign states are subject to

approval in accordance with several decrees of the Russian President (Nos. 81, 138, 520, 618 and 737). Participants/ shareholders in case of charter capital decrease also requires approval pursuant to Decree of the Russian President No. 737 (provided it exceeds the threshold of 10 million roubles).

The approval procedure has the following general outline. One of the parties to the transaction applies for an approval to the “industry-specific” federal executive authority. The respective authority considers the application, prepares its position, and submits the case to the Russian Ministry of Finance. The Russian Ministry of Finance considers the application and submits it to the Sub-Commission of the Government Commission for Control over Foreign Investments (the “Sub-Commission”) that holds a meeting to adopt a decision regarding the transaction and sets the requirements for it.

The applicant must present a report on independent evaluation of the assets market value made by an appraiser from the list of appraisers recommended by the Sub-Commission, and an expert report to the said evaluation prepared by an expert from the self-regulating appraisers organization. Then the applicant has to transfer to the federal budget a contribution in amount equal to at least 15% of the market value of the respective assets.

LIABILITY FOR NON-COMPLIANCE WITH THE COUNTER-SANCTIONS PROCEDURES

The Russian Ministry of Finance made a draft bill adding to the Russian Code of Administrative Offences Art. 15.25.1 establishing liability for completing transactions in breach of the counter-sanctions restrictions.

At present, under the general civil law provisions, a transaction with shares/participatory interests concluded without the Sub-Commission approval may be held invalid (Art. 10, Art. 168 of the Russian Civil Code). Another form of liability for this may be that the foreign shareholders (participants) of Russian companies may be deprived of the right to vote in the management bodies of these companies (this is directly provided by Presidential Decree No. 520).



NEW REQUIREMENTS FOR APPROVAL OF PAYMENT OF DIVIDENDS TO “UNFRIENDLY” NON-RESIDENTS

The extract from Sub-Commission decision No. 171/5 dated July 7, 2023 sets the following requirements for obtaining an approval for payment of dividends to foreign creditors if the amount thereof exceeds 10 million roubles per calendar month.

That being said, the payment of dividends to the foreign creditors may be allowed in absence of the abovementioned requirements, providing the amount of dividends to be paid does not exceed the amount of investments in Russia.

INTERIM ADMINISTRATION

Decree No. 302 of the Russian President provided for introducing interim management in respect of Russian assets of foreign “unfriendly” companies. The interim administration is carried out by Rosimushchestvo, that exercises the owner’s authorities (except for disposal) and appoints the new sole executive body and the members of the board of directors.

The list of assets (property, securities, participatory interests) falling under interim administration is also set by the abovementioned Decree and is extended from time to time. At present, interim administration is carried out in respect of several major companies significantly influencing the Russian economy in their respective areas.

FINANCIAL TRANSACTIONS: CONTINUED EXISTENCE AND ELABORATION OF RESTRICTIONS

Restrictions on granting and repaying loans to foreign creditors continue to apply. In particular, it is prohibited to perform the following operations without a special approval:

- › Foreign currency operations related to providing loans in foreign currency to both “unfriendly” and “friendly” non-residents.
- › Transactions related to granting loans in roubles to “unfriendly” non-residents.
- › Performing obligations under loans in favor of “unfriendly” non-residents. For these purposes the special type ‘C’ account was adopted. The regime of these accounts significantly limits the available operations with funds.

PERSONAL DATA: WHAT TO EXPECT FROM REGULATORY CHANGES IN 2024

Legislative changes in the field of personal data protection and transfer proved to be one of the most discussed and alarming topics among companies from all sectors in 2023. This trend has continued in 2024, with a special focus on the spring session of the State Duma, where significant draft laws on this topic will be considered.

Key issues of legislative changes and IT enforcement that relate to personal data, data localization, cross-border transfers include:

- › The planned radical tightening of liability for personal data leaks, and it is expected that turnover fines shall be established in relation to companies that repeatedly allow leaks of personal data databases.
- › Continued data localization court cases, in which numerous operators are fined for non-compliance with the requirements to collect and process (including *correction and supplementation*) personal data of Russian citizens in databases located in Russia.
- › Initiatives on regulation of data depersonalization and processing of big data which consist of a new version of the bill on data depersonalization, the Digital Code concept, the national project “Data Economy”.
- › New authorization rules for Russian owners of the resources operating on the Internet in Russia: by mobile phone number, through the Public Services System, the Unified Biometric System or another information system. The latter must belong to a Russian citizen or an organization controlled by a Russian public law entity or citizen.
- › New cross-border data transfer rules in force. Data



controllers must submit corresponding notifications to Roskomnadzor prior to the cross-border data transfer and in some cases must obtain prior permission to be able to transfer data outside of Russia.

- › In 2024, we may expect a further development of Roskomnadzor’s enforcement practice with regard to compliance with the cross-border transfers rules.
- › The new requirements for the content and structure of the company’s regulations on personal data processing, including ‘online’ privacy policies. It is possible that in 2024 Roskomnadzor will focus on the interrelation between the notification on processing of personal data previously submitted by a data controller and the actual processes of collection and processing of personal data on the website of such a data controller.



CURRENT ISSUES OF GLOBAL TRADE AND CUSTOMS REGULATION

DEVELOPMENT OF LAW ENFORCEMENT AND JUDICIAL PRACTICE ON THE INCLUSION IN THE CUSTOMS VALUE OF ROYALTIES ON PRODUCTION KNOW-HOW AND OTHER INTELLECTUAL PROPERTY OBJECTS FROM INDUSTRIAL COMPANIES

Today, many manufacturing companies are faced with the fact that customs authorities check the inclusion in the customs value of raw materials of royalties paid for such intellectual property objects, for example, production know-how, trademark, software and many others.

Such inspections are characterized by a very high efficiency: 98% in 2023. Moreover, the year 2023 is characterized by a reversal of court decisions to a greater extent in favor of the customs authorities.

Customs authorities use two approaches for including such payments in the customs value: as royalties by proving compliance with two conditions for their inclusion (most common) and as part of the revenue (income) received from the sale or other way of using imported goods.

If the companies do not provide information on the share of imported raw materials in the cost structure (sometimes in the selling price of the goods), customs authorities include royalties in full.

With the current trends in the development of law enforcement and judicial practice on the issue discussed above, we believe that companies should form a protective legal position on past periods before the start of control measures.

THE PROBLEM OF INCLUDING DIVIDENDS IN THE CUSTOMS VALUE OF GOODS

2022 changes to the position of the Russian Supreme Court on the inclusion of dividends in the structure of the customs value

of imported goods and subsequent negative judicial practice for companies entailed an unprecedented number of respective customs control measures resulting in the assessment of large additional customs payments and the imposition of penalties in some cases.

At that, operating on the broad interpretation of the Russian Supreme Court's position, auditing customs authorities believe that if the founders of a Russian importer opt to pay dividends from the net profit derived from the sale or use, during production, of imported goods in the territory of the Russian Federation, and if such goods are supplied by the founders of the Russian importer or other related companies, then such dividends' amounts should be included in the customs value of imported goods.

At the same time, in many audits customs authorities do not request to provide export pricing documents and ignore other important matters.

Taking into account the trend of strengthening control over all importers including those manufacturers who have paid dividends over the past 3 years, companies need to conduct an early risk analysis and prepare a defense strategy to exclude or minimize extra customs payments.

INTRODUCTIONS OF "FLEXIBLE" EXPORT CUSTOMS DUTIES

Starting October 1, 2023, export customs duties were introduced on a wide range of goods in accordance with the list¹ approved by Decree of the Government of the Russian Federation dated September 21, 2023 No. 1538. Duty rates depend on the exchange rate of the US dollar to the rouble and can range from 7% (at an exchange rate of more than 95 roubles per US dollar) to 0% (at an exchange rate of less than 80 roubles per US dollar).

¹ The list of goods includes products of animal origin, cereals, some prepared foods, alcoholic and non-alcoholic drinks, mineral products, chemical products, textile materials, base metal products and many other goods.

The duty rate for the next calendar month is determined by the Ministry of Economic Development and is posted on the official website (<https://www.economy.gov.ru>).

Export customs duties are not applied to goods whose customs value does not exceed the equivalent of 200 euros (similar to the duty-free import limit for imported goods).

ON USING NAVIGATION SEALS FOR FREIGHT TRANSPORT IN THE EAEU

Transport and logistics companies express their concerns about imposing navigation seals on all categories of goods, placed under the customs procedure of customs transit, including those transported in sealed compartments of road vehicles and containers in accordance with the TIR Convention, 1975, which goes against its fundamental provisions of mutual recognition of customs controls and exemption from examination at customs offices en route.

This initiative is perceived by businesses as a redundant additional control instrument, excessive administrative and financial burden, leading to increased freight costs, which can go up to 20%.

Existing level of information exchange, forms and methods of control, international instruments provided by UN conventions and agreements on trade and transport facilitation allow EAEU member states for effective monitoring of the movement of goods and vehicles, including those in transit.

Proposed actions:

- › To include in the list of exemptions, i.e. goods and cases when tracking with the use of navigation seals is not applied, goods transported under TIR on a permanent basis.

- › To limit the set of data in the navigation seal to the minimum required by the Agreement and ensure it is transmitted into the navigation seal directly from the information systems of customs authorities.

JOINT OBLIGATION OF CUSTOMS REPRESENTATIVES

Since 2022 a trend has emerged towards the massive closure and leaving Russia of large foreign companies, which causes a number of problems. Customs representatives of such companies remain in a one-on-one situation with customs authorities as part of post-control, when they are limited in obtaining and using means of proof, as well as in the possibility of subsequent recovery of damages from declarants.

For the period from December 2021 to December 2022, 103 organizations were excluded from the register of customs representatives, and for the same period of 2022-2023 – already 122.

In connection with the emerging frightening trend, there is a growing need to liberalize customs legislation in terms of joint liability of the customs representative in accordance with current realities.

It is worth noting that various “indulgences” of the joint liability of a customs representative are provided for by the customs legislation of the EAEU member states.

To preserve and further develop the institution of customs representatives in Russia, it is vitally important to adopt working standards on exemption from joint and several duties of customs representatives in situations where the state has all the tools and capabilities to collect customs payments directly from a declarant.

INTELLECTUAL PROPERTY: POINTS OF CONCERN AND EMERGING OPPORTUNITIES

From the perspective of intellectual property rights regulation in Russia, the year 2023 was dedicated to addressing a number of strategic, fundamental issues of legislative regulation and enforcement in this area.

INCLUSION OF GEOGRAPHICAL INDICATIONS IN TROIS

On 6 March 2023 amendments to the Federal Law “On Customs Regulation in the Russian Federation and on Amendments to Certain Legislative Acts of the Russian Federation” entered into force.





The amendments provide for the possibility to include geographical indications in the Customs Register of Intellectual Property Objects at the request of the right holder.

REDUCTION IN THE NUMBER OF DOCUMENTS AND TERMS FOR THE PROVISION OF STATE SERVICES BY ROSPATENT

Rospatent has reduced the terms and the number of required documents for obtaining 11 state services, including registration of intellectual property objects, and disposition of the exclusive right under a contract and transfer of the exclusive right without a contract.

In our view, easing the process of intellectual property registration may increase the motivation for intellectual property protection in Russia.

ISSUES OF COMPULSORY LICENSING OF COPYRIGHT AND RELATED RIGHTS

In June 2023, representatives of the Ministry of Digital Media of the Russian Federation told about the preparation of a bill on the procedure for using unlicensed (pirated) foreign software.

In our view, this issue is quite sensitive, and one should be cautious in proposing these initiatives.

Compulsory licensing of copyright and related rights objects is recognized by a small number of national legal orders and, as a rule, does not meet the world standards of legal protection of intellectual property objects.

PROTECTION OF COMPOSITE AND DERIVATIVE WORKS

On 13 June 2023 Article 1260 of the Civil Code was amended, according to which in case of illegal use of a derivative or composite work, both the copyright of the translator, compiler and other author of the derivative or composite work and the rights of the authors of the works on which the derivative or composite work is based shall be protected.

This means that the rights of the authors of derivative or composite works are protected regardless of the legal purity of the works themselves.

The amendments were adopted in order to form a unified approach to the issue of protection of intellectual property rights.

MITIGATING THE QUALIFICATION OF INTELLECTUAL PROPERTY OFFENSES

The year 2023 initiatives also include two draft laws that raise the threshold of damage required to qualify infringements of copyright and related rights and trademark rights as crimes.

On the one hand, the new qualifying characteristics will more fairly reflect the potential harm from the acts to qualify them as crimes. On the other hand, it will increase the costs for right owners to defend their rights in criminal proceedings, as well as simplify small-scale activities for the sale of counterfeit goods.

ALLOCATION OF A SHARE IN AN EXCLUSIVE RIGHT

In recent years, intellectual property as an asset of companies, as well as the subject of many transactions, has played an increasing role. Given this economic importance, the legislator has supplemented the laws with provisions allowing the use of an increasing number of instruments in connection with intellectual property.

One of the new proposals is to allow the allocation of shares in the exclusive right to intellectual property. This approach will allow to “split” the right to the object, which will create opportunities to attract additional financing, providing all interested parties to receive a share in the exclusive right.

REGISTRATION OF TRADEMARKS BY INDIVIDUALS

On 29 June 2023 legislative changes came into force, according to which the right to register trademarks was granted to individuals, including self-employed and foreign citizens doing business in Russia.

In our view, the innovation may favorably affect the development of a competitive market and support small business.

RECOMMENDATIONS

The AEB Intellectual Property Committee believes that most of the above changes in regulation and enforcement have a positive impact on the ability of Russian and foreign companies to use and protect their intellectual property.

Separately, the Committee notes that caution should be exercised in relation to the possible introduction of new mechanisms for compulsory licensing of copyright and related rights and other legislative initiatives aimed at restricting the freedom of disposal of intellectual property rights, including the creation of inequalities between Russian and foreign right owners.

FOREIGN BUSINESS IN RUSSIA: CHANGING TAX 'RULES OF THE GAME'

In 2023, a number of laws were adopted in the field of taxation that significantly affect the burden on the business in 2023 and in subsequent periods. Individual changes will equally affect companies with both Russian and foreign capital. Other changes will mostly affect tax positions of companies with foreign capital that have contractual relationships with foreign related persons.

For instance, the suspension of individual provisions of double tax treaties with European countries has already resulted in a considerably higher tax burden on the payment of dividends, interest and royalties to foreign companies. Together with the current permission-based pay-out procedure, primarily with respect to dividends, these developments significantly reduce the potential for business to be maintained and developed in Russia (including investments in technology in the form of patents, licences, software, etc.).

The introduction of a 15% tax has been introduced on the income of foreign companies with respect to payments under any contracts for services/work that are entered into with a related foreign company may become a barrier for the supply of intra-group services (such as a supply of software, consultancy services and other items) that are essential for a Russian company's normal course of business. Raising the price of such services to even out the additional tax burden will result in the risk of transfer prices being reconsidered.

In turn, the considerable changes to the procedure for regulating transfer prices that are coming into force in 2024 were not expansively discussed in advance with the professional community, although in many ways they considerably alter the current approaches to the standards of proving whether prices conform to the market level, whether liability has been established and the amount of it, and standards for keeping documents.

For instance, when the Russian Federal Tax Service adjusts the prices (income) under controlled transactions between related persons, the income of the person in the amount of such an adjustment will be deemed equal to dividends only with respect to the foreign recipient, regardless of whether it has corporate

control in relation to the Russian taxpayer. In a similar way the approach to holding persons liable for having understated a tax amount due for payment as a result of non-market prices being applied and to the possibility of exempting such persons from liability will be different depending on the nature of the performed transaction (i.e. whether it is a domestic or a cross-border transaction). If the taxpayer has documentation confirming that the prices of transactions it has performed are at the market level, it may avoid liability only with respect to a transaction performed at the domestic Russian level. Further, the amount of the fine imposed when claims are made against a cross-border transaction is several times higher than the amount of the fine for a similar offence in a domestic Russian transaction.

At the same time, the tools that are provided for in the Tax Code for revising prices during tax control based on the median value of the range result in a higher tax burden on the taxpayer (in contrast to comparable companies), because essentially the additional assessments on the difference between the median and lowest (highest) value of the range will relate to the market level of prices (profitability).

The above shows that there is a disproportionate increase in the tax burden on cross-border transactions, primarily, on foreign groups that operate in Russia and have a large number of intra-group transactions. This may become an impediment to further operations of companies that are actively working in Russia despite the current situation or that are planning to enter the Russian market.

Unfortunately, from the tax perspective, including in the context of increasing the tax burden on cross-border transactions, so far we are seeing that no distinction is being made between foreign companies that continue working on the Russian market, maintain jobs and are ready to increase the scope of production, and companies that have announced they are leaving the market or suspended their operations. Such an approach may discourage foreign businesses that are ready to work in Russia and precludes additional development on their part.



CURRENT ISSUES IN THE FIELD OF MIGRATION

RESULTS OF THE AEB MIGRATION COMMITTEE WORK

Ongoing work has been underway to maintain the HQS category with the current benefits and advantages in the new migration concept. The Committee submitted a number of proposals to the draft law, which is currently under consideration by various ministries.

Changes have been made to procedures and current legislation:

- › HQS and their family members now undergo a medical examination every 3 years when renewing the work permit.
- › The list of medical examinations for minor HQS family members was reduced.
- › It is now possible to submit medical documents within 30 days both after the approval to extend the work permit, and within 30 days from the day of entry into the Russian Federation.
- › The criteria for obtaining a “golden visa” for investors in the Russian economy have been defined together with the Ministry of Economic Development.

LEGISLATIVE ISSUES

1. The requirement stipulated in the current legislation (effective from March 1, 2024) to pay the HQS salary not less than 750,000 thousand roubles per quarter – goes against the current labor legislation in cases when HQS is absent from work for a valid reason.

Proposal: In order to resolve this issue related to the conflict of migration, labor and tax law, it is necessary to develop more flexible approaches and fix them in the current legislation.

2. There is no clear definition in the legislation of how to pay the HQS salary for the first quarter of 2024.

Recommendation: To review the amendments to the legislation and choose the best option for the company in order to avoid violation of the new requirements: whether it will be a salary increase as of January 1, 2024, or a difference payment with further revision of the salary level according to the law.

3. Due to the law changes of January 7, 2024, HQS must apply for a work permit within 30 calendar days from the date of the decision of the Ministry of Internal Affairs to issue or extend a work permit. This period may be extended for no more than 30 calendar days if there are valid reasons and a corresponding request from the employer. In practice, the stipulated deadline for collecting work permit is sometimes impossible to meet due to a number of preceding actions to be taken by expatriate.

The same provision would contradict another provision of the Law, which establishes a time limit for a repeated medical examination and submission of medical documents which



stipulates another deadline for the medical examination and submission of medical documents – 30 calendar days from the date of the decision to extend the validity of the work permit or from the date of entry of the HQS into Russia.

Proposal: It is necessary to correlate these deadlines in the legislation so that a HQS can obtain a work permit either within 30 days from the date of the decision to extend the work permit or within 30 days from the date of entry into Russia.

As it is also important for HQS to be aware of the date of the MIA decision to issue or extend a work permit, there should be an official procedure for notifying HQS on that date.

4. From 2024, HQS will be entitled to an indefinite residence permit which is not tied to HQS status if below conditions are met:
 - › At least 2 years of work in Russia in HQS status.
 - › The obligation to previously reside in Russia on the basis of the HQS residence permit.
 - › Proper payment of taxes during prior two years.

Recommendation: To ensure compliance with the established requirements for obtaining an indefinite residence permit for HQS.

MAIN PROBLEMATIC ISSUES OF PARALLEL IMPORTS

The year 2023 marked one year since the partial legalization of parallel imports had been introduced in Russia on a temporary basis. AEB's position on the risks associated with parallel imports has remained unchanged and supported by evidence, despite regular claims that such risks are not realized. Nevertheless, in a difficult economic environment, AEB members understand the need for parallel imports to stabilize the situation. At the same time, it should be noted that the movement of regulation and enforcement remains multidirectional, which creates additional threats to both businesses and consumers.

One of the key risks associated with allowing parallel imports is the growth of counterfeit goods in the country. After the introduction of parallel imports, the FCS of Russia made several statements that it did not record the growth of such volume at border crossings, but in October at the "Anti-Counterfeit" Forum the FCS of Russia expressed the position that in 2022 the volume of counterfeit goods had increased sharply, simultaneously with the introduction of parallel imports, but this year the situation normalized.

AEB believes that such development is an inevitable consequence of both certain problems with law enforcement and circumvention of the existing rules by unscrupulous importers.

Indeed, main market players pointed out a number of uncertainties in the current regulation, namely the Government Decree No. 506 dated 29.03.2022 (hereinafter – the Decree) and the Order of the Ministry of Industry and Trade No. 1532 dated 19.04.2022 (hereinafter – Order No. 1532), which establishes the list of goods for parallel import, but called to fix the practice of strict implementation of at least those mechanisms, which were established before the partial legalization of parallel import, as they observed numerous cases of circumvention of the existing rules by unscrupulous importers, submission of false documents, import of products, which should not have been imported as parallel imports. Nevertheless, it was proposed to amend both the Decree and

Order No. 1532, and in two directions: one of them provided for the transition from the formation of the list on the principle of the contained trademark to the principle of indicating the right holder, goods under whose trademarks can be imported without his consent, the other – to expand the list of objects of intellectual rights, in respect of which unauthorized import is allowed.

It cannot be said that no measures are being taken. A number of clarifications have been issued on the inadmissibility of importing counterfeit goods and goods not included in the list of Order No. 2701 from the Federal Service for Veterinary and Phytosanitary Surveillance (Rosselkhozadzor), the Ministry of Industry and Trade, and other agencies. However, clarifications alone are not enough. The Ministry of Finance has proposed a draft decree of the Government to block in the Unified State Automated Information System (EGAIS) alcoholic beverages that are not included in the list, but nevertheless enter the country using forged documents. AEB believes it is possible to extend this initiative to other product categories. Until effective measures are introduced, bona fide right holders are forced to appeal to the courts, and although the Association sees positive results from the analysis of judicial practice in this area, disputes require considerable time and money, which is clearly not in favour of the state of the Russian market, and in some cases threatens the life and health of consumers. It is also necessary to work with the EAEU countries, through the external borders of which fake goods enter the Russian market.

Although AEB considers parallel imports inevitable in the short term and predicts that it will be in effect in the near future with respect to certain commodity items, however, it believes that it is critical to switch to law enforcement that excludes the import of products that violate the exclusive rights of right holders bypassing the established mechanisms and entailing risks for the market, for consumers, for budgets of various levels. Otherwise, negative trends in this area will increase.





RECYCLING 2024. NEW RULES, OPPORTUNITIES AND RISKS

On August 4, 2023, Federal Law No. 451-FZ “On Amendments to the Federal Law “On Production and Consumption Waste” and Certain Legislative Acts of the Russian Federation” (Law No. 451) was adopted. The main provisions of the new Law will come into force from the beginning of 2024, while certain provisions, for example, concerning the increase in recycling rates for packaging, will come into force in stages until 1 January 2027.

The new concept of EPR introduces changes in the subject composition. As far as producers of goods are concerned, everything remains the same. As for packaging, there are changes: previously, producers and importers of goods in this packaging were responsible for the recycling of packaging. Now, with regard to imported products in packaging, the same subject for packaging remains the same – the importer. In the part of local production, the subject of regulation became the producer of packaging, but not the producer of packaged goods.

The main problem with the subjects of packaging regulation is whether the producer of packaging considers himself as such or not and whether the producer of goods has taken this point into account in his reporting.

The objects of regulation remain goods and packages. At the same time, the groups and the content of nomenclature items in each group change. For example, all electronics from several groups are combined into one group and new items are added.

Previously, responsibility for ensuring waste recycling arose from the moment the goods were sold. Now the moment of responsibility comes earlier for importers, from the date of import, and for producers from the date of shipment (payment), but taking into account a number of aspects.

The norms and rates of the environmental fee are planned to be increased. In terms of packaging, in fact, the new norms have already been approved in Law No. 451 itself. For 2024, the norms for recycling waste from packaging will be set by the Government of the Russian Federation, for 2025 they should be – 55%, for 2026 – 75%, for 2027 – 100%.

All recyclers must submit documents for inclusion in a special register of recyclers. Based on the results of reviewing the documents, an on-site assessment is carried out within 30 working days or the recycler is included in the register without an inspection; however, such an inspection may be carried out within six months from the date of receipt of the recycler’s application for inclusion in the register.

The Government of the Russian Federation is conducting an experiment until January 1, 2026. The provisions concerning the inclusion of the mechanism of control over the payment of the environmental fee at customs will be tested on various product groups (clothing, tyres, electronics), and packaging is also included in the draft documents on the experiment. AEB takes the position that, despite the advantages of the experiment on small samples of products, it is not appropriate to extend it to packaging, as it is present on all imported products and the experiment will cover all items and product groups.

Another important aspect in this context is the 2023 reporting campaign. By April 15, 2024, reporting on the weight of goods, packaging produced in the territory of the Russian Federation or imported from other states, reporting on the performance of self-disposal of waste from the use of goods for the period from January 1 to December 31, 2023 must be submitted. In response to AEB’s inquiry, the Ministry of Natural Resources and Environment of Russia clarified that all reporting is done in accordance with the previous requirements of the specialized Law No. 89 and the previous by-laws.

To date, not all by-laws have been adopted yet and it is not possible to assess all the consequences, risks and opportunities of the new regulation. AEB will continue to participate in the discussion of the projects under development related to the EPR and to support its members on the implementation and participation in the experiment.



EURASIAN OUTREACH

EURASIAN NEWSLETTER

In 2023 AEB continued its unique collaboration with the European Business Association of Kazakhstan (EUROBAK), the Europe-Uzbekistan Association for Economic Cooperation (EUROUZ) and the European-Belarusian Business Association (EBBA) in the format of the Eurasian Newsletter. It aimed to present consolidated data on economic, legislative and integration issues of Central Asia and the South Caucasus region, as well as to share the Associations' key news items, events and initiatives.

EURASIAN NEWSLETTER

Associations Key Events

May 31 | 09:00 (Moscow)
AEB Annual Conference, Intellectual Property Rights: Recent Trends, Antisemitism, "Proxies" and Solutions
The conference will focus on hot issues in the sphere of intellectual property in Russia, including an overview of legislative improvements, intellectual property in online regulatory acts, cyber threats and much more. Detailed information and agenda provided by high profile speakers from EAEU, EU, USA, Romania, Ukraine and intellectual law firms.

EUROBAK Kazakhstan

May 18-19 | 13:30 (Almaty)
General EU-Central Asia Business Forum
The Forum aims to deepen and operationalize the cooperation to both the EU and Central Asia in three key priority areas - green and digital transition, better business environment, as well as trade and connectivity. Building on the conclusions of the extensive forum held in November 2022 in Istanbul, Europe for the Green Release Road, it will focus on digital transition and green transition, as well as on policy, regulatory, and investment needed to develop a more integrated and interconnected regional market environment.

28 April | Doha
EU-Central Asia Business Forum
17 May | Online
EU-Central Asia Business Forum in Kazakhstan, Central Asia and the Caucasus Region

EUROUZ Uzbekistan

May 17 | Samarkand
EUROUZ will be hosting a European Reception at the EBRD Annual Meetings & Business Forum
To highlight the growing partnership with the European Union and Central Asia's economic integration process, the European Reception at the EBRD Annual Meetings & Business Forum will welcome to members, business & political leaders attending the EBRD Annual Meeting in Samarkand 16-19 May for an informal networking session on May 17th, including a breakfast dinner and a discussion panel on Central Asia's new place in global connectivity & trade. This is an invitation-only event, but interested parties are welcome to register in advance via the following link.

Regulatory Updates

EAEU

Regulations on free trade agreement between the EAEU and the UAE now hold the first round of negotiations on concluding a free trade agreement between the Eurasian Economic Union and the United Arab Emirates was held in October (EAEU) from March 5 to March 8. During the round, the parties discussed the regulatory part of the future agreement and identified the key requirements for trade access to both parties' markets.

Amendments for implementing pilot project in foreign e-commerce
On March 14, the Board of the Eurasian Economic Community approved amendments to the Regulations issued in 2021 to implement the pilot project in the field of foreign e-commerce in online retail trade. Economic goods can be sold by retail operators in foreign markets through the systems which being used in online (remote) territories.

National regulations:

Armenia
EAEU standards of circulation of tobacco products, memorandum between European Parliament and Armenia
Armenia is meeting to control over the circulation of tobacco products according to the standards issued in 2021 to implement the pilot project in the field of foreign e-commerce in online retail trade. The standards are aimed at increasing the effectiveness of measures, as well as the implementation of joint projects and people, including the exchange of experience in various fields.

Azerbaijan
International cargo transportation, e-commerce
Azerbaijan and Uzbekistan were the first to launch international cargo transportation based on the electronic Permit System. The project was implemented as part of the project to simplify the import customs procedure on the principle of "single window" within the framework of the Eurasian Economic Union (EAEU). An electronic permitting center for local companies will start operating in Azerbaijan. The main goal of the project is to support companies in ensuring the international trade, logistics, marketing, taxation and other areas.

Kazakhstan
Consideration of requests from businesses, issue regulatory policy for...
The analysis showed that, in general, complaints and appeals from businesses relate to the areas of land relations, public procurement, tax administration, architecture and urban planning, infrastructure development. These kinds of the Republic of Kazakhstan citizens' requests from businesses. Moreover to further improve the business climate in Kazakhstan were considered all governmental agencies, removal of national economy obstacles was one of the key tasks. The number of requests from businesses to the Ministry of Investment and Trade increased by 23.7%, to about 1 million enterprises. The total number of people involved in this sector increased by 10.5% to 1.4 million people. In general, more than 40% of all people involved in the economy work in SMEs. The volume of retail by SMEs also increased by 20% and attributed by more than 100 thousand people. In order to further improve the business climate, which is underway to introduce a new regulatory policy for entrepreneurs, in particular the status of individual and innovative entrepreneurs.

Barriers on the export of dairy products and anti-corruption progress
The Council of Eurasian Single Group of Trade Agreements (Eurasian Single Group) has made public its Fourth Evaluation Round Sectoral Compliance Report on Armenia, which deals with operational implementation in respect of members of parliament (MPs), judges, and prosecutors. According to the assessment by GRECO, Armenia has made some progress toward the recommendations to prevent corruption among parliamentarians, MPs, and judges. The ban on the export of dairy products from Armenia to Russia came into force on April 5. Negotiations with the Russian side are required in order to remove the export of Armenian products to Russia. Anshu Haldipuram, head of the information, consultation, and public relations department of the Food Safety Inspectorate of Armenia, said Armenia has no restrictions on the export of dairy products.



PARTNERSHIP WITH ASSOCIATIONS

On March 23, 2023 AEB in cooperation with partners from the Europe-Uzbekistan Association for Economic Cooperation (EUROUZ) organized an online event “The state of digital in Uzbekistan”.

Tadzio Schilling, AEB CEO, spoke about successfully carried out business missions to the Second Uzbekistan Economic Forum in Samarkand and the Samarkand EU-Central Asia Connectivity Conference, and outlined plans for the regional cooperation in 2023.

The webinar was attended by Sherzod Shermatov, Minister of Digital Technologies of Uzbekistan. He shared the latest developments, achievements and opportunities in the IT & digital sector of Uzbekistan.

BUSINESS MISSIONS AND PARTICIPATION IN FORUMS

The main goal of the AEB business missions to the Central Asia is to get acquainted with the investment potential of the region, as well as to discuss specific steps for the development of mutually beneficial cooperation and expansion of business relations between regional and European businesses. Apart from participation in the leading economic forums, within AEB business missions GR meetings with high-level officials are usually organized to discuss economic cooperation and other issues of interest to existing and potential new investors. In order to provide AEB delegates the expert insights from the local market participants, the Association has created a new format of events within the business missions “Doing business in...”.

INTERNATIONAL EURASIAN PHARMACEUTICAL FORUM

On February 28 – March 1, 2023 the AEB management together with several representatives of member companies undertook a business mission to Kazakhstan to participate in the 14th Eurasian Pharmaceutical Forum in Almaty.

The AEB CEO Tadzio Schilling spoke at the session “Protection of intellectual property as an element of expanding the availability of innovative treatment and increasing the investment attractiveness of the region”.

The AEB delegation also had a working meeting with representatives of the Ministry of Health of the Republic of Kazakhstan. Such topics as registration of medicines, GMP procedures, labeling of pharmaceutical products were discussed.



TASHKENT INTERNATIONAL INVESTMENT FORUM

On April 27-28, 2023 the AEB CEO Tadzio Schilling participated in the Tashkent International Investment Forum.

He moderated a panel session “The role of insurance medicine in the development of health care” that brought together such speakers as Amrillo Inoyatov, Minister of Health of the Republic of Uzbekistan, Asheena Khalakdina, Head of WHO Country Office in Uzbekistan, Ulugbek Egamov, Director of the Agency for Pharmaceutical Industry Development.

The Forum aimed to attract heads of major foreign investment, financial and economic organizations and companies interested in integration into the dynamically developing market of Uzbekistan.



EURASIAN ECONOMIC FORUM

On May 24-25, 2023 the Eurasian Economic Forum was held in Moscow.

Tadzio Schilling, AEB CEO, took part in the session “Ex-ante vs ex-post regulation of competition, collusion in public procurement and digital transformation”. The session was moderated by Alexey Ivanov, Director of BRICS International Centre for Competition Law and Policy. The session was also attended by Bakhyt Sultanov, Member of the Collegium (Minister) on Competition and Antitrust Regulation of the Eurasian Economic Union; Erna Hayriyan, Chairman of the Eurasian Economic Union Court; Maxim Shaskolsky, Head of the FAS Russia; and Alexey Lavrov, Deputy Minister of Finance of the Russian Federation.



ASTANA INTERNATIONAL FORUM

On June 7-9, 2023 the AEB delegation of around 20 participants attended the Astana International Forum and held a series of meetings with Kazakhstan authorities: Minister of Industry, Deputy Minister of Healthcare, representatives of the Ministry of National Economy, the National Chamber of Entrepreneurs “Atameken”.

The workshop “Doing business in Kazakhstan” provided the participants with firsthand information on practical aspects of business and labor law of Kazakhstan.



EURASIAN PHARMACEUTICAL SUMMIT

On September 27, 2023 the AEB CEO Tadzio Schilling spoke at the session “Intellectual property as a factor of attracting investments to the markets of the Eurasian countries”, which was held within the framework of the Eurasian Pharmaceutical Summit in Samarkand, Uzbekistan.

In his speech, Tadzio Schilling highlighted the issues of protection of intellectual property rights, as well as issues of compliance with patent rights in the territory of the EAEU. The session was also attended by regulators of the Ministries of Health and Justice of the Republic of Uzbekistan, the Republic of Kazakhstan, representatives of the Eurasian Patent Office.



XVI VERONA EURASIAN ECONOMIC FORUM

On November 2-4, 2023 Philippe Pegorier, AEB Board Deputy Chairman, and Tadzio Schilling, AEB CEO, participated in XVI Verona Eurasian Economic Forum in Samarkand, Uzbekistan.

Philippe Pegorier moderated the session “New technological revolution: challenges and opportunities for Eurasia” with participation of Sherzod Shermatov, Minister of Digital Technologies of the Republic of Uzbekistan.

Tadzio Schilling moderated the session “Markets for financial and banking services in a changing global context”.



AEB GREEN INITIATIVE PROJECT

For the last several years the topic of sustainable development has been at the forefront of the global business and political agenda. Compliance with ESG requirements has been a key factor of preserving a competitive national economy and a priority target for the business. Russia has reached serious progress on this matter in an attempt not to be left behind.

In February 2021 AEB launched its Green Initiative project aimed at protecting the interests of European business, promoting the best international practices and technologies, and developing cooperation with Russian stakeholders and partners in the field of climate policy and energy efficiency.

The AEB Green Initiative focuses on the following goals:

- › To ensure a level playing field and best market entry conditions for green economy solutions made in Europe.
- › To promote green brands and solutions of the European origin through targeted events, PR activities, and publications.
- › To produce targeted analytical materials in order to increase the public awareness on the topic.
- › To facilitate a constructive dialogue between all parties (European and Russian) on green issues.

The work of the Green Initiative is organized within the following Workstreams:

- › **FUTURE OF ENERGY** (hydrogen, renewables, waste treatment, circular economy)
Chairman: Yuriy Manjilevskiy;
- › **CARBON MANAGEMENT** (EU cross border carbon adjustment mechanism, carbon capture utilization and storage (CCUS), foresting, emission trade system)
Chairman: Roman Ishmukhametov, Melling, Voitishkin & Partners.

The activities of the Green Initiative are managed by the Steering Committee that develops the strategy for promoting the Green Initiative and represents the interests of AEB member companies in the dialogue with the authorities. The Steering Committee consists of Tazio Schilling, AEB CEO, the Chairmen of the Workstreams, and Ernesto Ferlenghi, Chairman of the Green Initiative Steering Committee.

In 2023 the Green Initiative Telegram Channel kept sharing various news items related to sustainable development and relevant information about AEB events on this topic.



AEB GREEN INITIATIVE

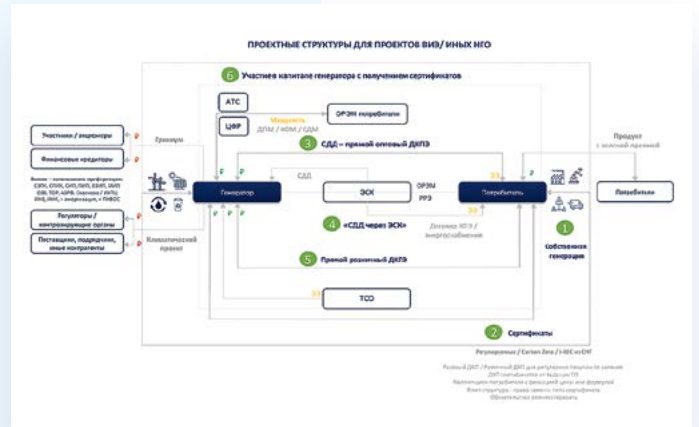
TELEGRAM CHANNEL
JOIN US!



GREEN INITIATIVE: RELATED ACTIVITIES IN 2023

RENEWABLE ENERGY: CURRENT TRENDS, BEST INDUSTRY PRACTICES AND FUTURE OPPORTUNITIES

On July 7, 2023 an open event “Renewable energy: current trends, best industry practices and future opportunities” was organized. The experts shared up-to-date information on industry practices, discussed current trends in the world, Europe and Russia. The discussion analyzed the efficiency and effectiveness of green renewable energy for achieving green economy goals, opportunities for energy transition in Russia until 2030, technologies for green renewable energy, best practices in renewable energy by sector, regulatory framework and transaction mechanisms, infrastructure development, and the future of green renewable energy. The participants concluded that strengthening the scientific base, increasing investment and ensuring long-term partnerships are key factors to making technologies available in Russia for the development of the green renewable energy market.



CLIMATE LAWS AND ENERGY TRANSITION: FROM CONCEPTS TO PROJECTS

On October 20, 2023 an open event “Climate laws and energy transition: from concepts to projects” was organized. AEB Green Initiative experts together with external speakers, including JSC Kontur and JSC Astra Zeneca – operators of registries of green certificates and carbon credits – discussed current regulatory and market developments, while Astra Zeneca and Unilever outlined their recent practices and further plans to support the sustainability trend. Participants confirmed that the green agenda remains a priority and companies operating in Russia are advancing their decarbonization efforts and developing new tools, including a carbon footprint calculator.



28TH CONFERENCE OF THE PARTIES TO THE UN FRAMEWORK CONVENTION ON CLIMATE CHANGE (COP28)

On November 30 – December 3, 2023 the 28th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP28) was organized in Dubai. COP is the largest event of the year in the field of climate and sustainable development, which is attended by leaders of states, major global companies and the best international experts. Roman Ishmukhametov, Chairman of the Carbon Management Workstream, AEB Green Initiative Steering Committee, was a speaker and moderator of several sessions in the Russian pavilion, dedicated to market solutions for achieving carbon neutrality, business partnerships in the implementation of climate initiatives, circular economy and green finance with the participation of major Russian companies and representatives of BRICS countries.



COP 28 OUTCOMES. WHAT IS NEW FOR PUBLIC AND PRIVATE SECTORS?

On December 28, 2023 an open event “COP 28 outcomes. What is new for public and private sectors?” was organized at the AEB conference center. During the meeting, AEB experts and invited specialists from major companies summarized the results of the 28th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 28) and presented information on the main decisions of the Conference, as well as shared their expert opinions on the climate agenda in Russia and abroad. The event became a platform for discussing the most pressing problems and issues in the field of climate change. It was attended by members of the AEB Green Initiative and representatives of companies participating in COP 28.



FLAGSHIP PUBLICATION “MOVING TOWARDS SUSTAINABILITY”

Under the leadership of the AEB Green Initiative Steering Committee, the first publication in AEB’s history to focus entirely on sustainable development and the green agenda was produced in 2023.

Despite incredible challenges and uncertainties, the topic of sustainability has stayed on the radar of corporate attention. The green theme runs through every significant issue in the world today, as it affects the very future of the planet and the well-being of future generations.

CONTENTS OF THE MAGAZINE:

PART I. Strategic vision: exploring green agenda paradigms

- › Interview with Andrey Sharonov, CEO of the National ESG Alliance
- › From COP27 to COP28: major achievements in global climate policy
- › Current situation and obstacles in the renewable energy market of the European Union
- › Carbon markets and energy transition instruments: what they are and what business can do with them

PART II. Green framework: providing advice for companies

- › Green finance market in Russia: current status and perspectives
- › Status and potential of ESG laws and ESG rating systems in Russia
- › Current regulation of office equipment disposal
- › Greenway of leading entrepreneurship

PART III. Industry specific experience: sharing green practices

- › Environmental trends and changes in product packaging
- › Business commitment to sustainability: Ambition Zero Carbon initiative
- › Forging a sustainable future for hospitality
- › Transforming the approach to employee well-being





MOVING TOWARDS SUSTAINABILITY

AEB's spotlight on the green agenda

From COP27 to COP28: major achievements in global climate policy

Current situation in the renewable energy market of the European Union

From COP27 to COP28: major achievements in global climate policy



ERNESTO FERLENGHI

AEB BOARD MEMBER
CHAIRMAN OF THE AEB GREEN INITIATIVE COMMITTEE AND ENERGY COMMITTEE

Ernesto Ferlenghi has more than 25 years of experience in managing and developing international projects in the energy sector.

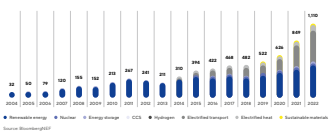
On November 20, 2023, the 28th session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP28) was held in Dubai. The COP28 has for many years been the main platform for discussing global climate change and developing concrete proposals to address it. For the longer the document contains the more urgent and relevant the issues discussed by conference participants become.

In this time, in addition to discussing common goals of achieving carbon neutrality in the world, COP28 participants had to agree on concrete goals to reach these objectives. First of all, we will discuss about the goal of reaching net-zero greenhouse gas emissions by 2050. This goal is supported by the Green Climate Fund and the Loss and Damage Fund. The parties agreed on the overall goal for year 2030: the harmonization of climate goals and targets for reaching the sustainable development goals and the Paris Agreement.

It is known that according to the report of the International Carbon Action Network (ICAN), the trend of covering and strengthening new systems of carbon trading in different countries is only increasing. In addition, it should be noted that according to global data, in 2022, the world's most profitable business was the income of companies from this activity in the world. This year reached a record USD 3.3 billion. According to ICAN, globally there are 28 systems of carbon trading and 20 systems are under development or completion.

In the first half of 2023, green bonds total USD 1.2 to USD 1.05 billion. Significant new issuance in countries such as Germany and France in June 2023 allowed the public sector to take important steps towards the sustainable transition.

Figure 1. Global investment in energy transition by sector (USD billion)



Key processes of climate agenda development in Russia

From the point of view of improving the regulatory framework for sustainable development in Russia, an important event was the adoption of the country's Climate Doctrine in September 2023. In this document, Russia reaffirmed its commitment to global climate action and its role in the global climate system. The document also outlines the main directions for climate policy development in Russia.

Averaging green finance

Green bonds are playing an increasingly prominent role each year as part of the financing of low-carbon projects and climate technologies. According to Bloomberg data, total issuance of sustainable bonds in the first half of 2023 amounted to about USD 350 billion.

In the first quarter of 2023, annual carbonization of power generation technology generated from renewable energy sources, hydroelectric and nuclear power plants is expected to be launched.

In the Climate Doctrine adopted by Russia in September 2023, the country reaffirmed its commitment to achieve carbon neutrality, taking into account national interests and priorities of socio-economic development no later than 2060.

At the same time, sectors related to renewable energy energy storage, electric power transmission, carbon capture and storage, hydrogen and sustainable aviation also reached new investment milestones in 2022.

Global climate policy in 2023

Although recent levels of greenhouse gas emissions are still above the global energy security are expected. In 2023, the global trend towards decarbonization will undoubtedly continue. At the same time, the role of nuclear energy in the development of low-carbon energy will be increasingly significant. The global market for nuclear energy is expected to reach USD 100 billion by 2030.

The global market for carbon capture and storage (CCS) technology is also expected to reach USD 100 billion by 2030. The global market for hydrogen is also expected to reach USD 100 billion by 2030.

The comparison of the number of single-value and multi-value companies (suggested by the author)

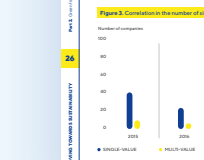


Figure 2. Comparison of the number of single-value and multi-value companies (suggested by the author)

AEBRUS.RU

Parties to the Paris Agreement are working to develop the roadmap for 2030 and to discuss what concrete measures should be adopted to ensure that 1.5°C goals will be met.

Russian carbon and green attributes markets

Competition

Federal carbon market. In 2021, Russia adopted the Federal Law on Limiting GHG Emissions. The law sets out the basic principles of Russia's national climate governance and carbon credits trading. The law also sets out the main directions for the development of the national carbon trading system.

Regional compliance market – Sberbank ETS

In March 2023, Sberbank passed a federal law on the trial of regional compliance market system. The law sets out the main directions for the development of the regional compliance market system.

Green attributes, EACs and EACs

In 2020-2022, Russian also launched the first pilot project for the regional compliance market system. The project is aimed at testing the regional compliance market system.

CarbonZero 2023 award

CarbonZero 2023 award is a recognition of the best practices in the field of carbon management. The award is aimed at promoting the development of the carbon management industry.

national compliance and the Paris Agreement

Russian company NCC intends to reduce its CO2 emissions by 20% by 2030. The company is planning to achieve this goal by investing in renewable energy and energy efficiency measures.

Some argue that Russia may reach its 2030 emissions reduction target. The target is ambitious, but it is achievable if the government and the private sector work together to reduce emissions.

Similar opportunities may arise in other sectors. The government and the private sector should work together to develop the carbon management industry.

What may business consider doing with this tools?

Part 1

Green attributes, EACs and EACs

Green attributes and EACs are tools that companies can use to reduce their carbon footprint. They are aimed at promoting the development of the carbon management industry.

CarbonZero 2023 award

CarbonZero 2023 award is a recognition of the best practices in the field of carbon management. The award is aimed at promoting the development of the carbon management industry.

Strategic vision: exploring green agenda paradigms

Table 1. Unicorn companies' value attitudes (dynamics by year) (suggested by the author)

Company	2016	2017	2018	2019	2020	2021	2022	2023
Aeshteria	1	2	2	1	1	1	1	2
Ecology/alternative energy	0	0	4	0	0	0	0	2
Science/technology/research	1	0	1	0	1	0	0	2
Science/innovation of new habitats	1	0	1	0	1	0	0	2
Education	0	0	2	1	0	0	0	3
Healthcare	1	1	6	4	0	0	0	15
Finance	3	2	6	4	1	7	20	45
Social equality/social environment development	6	13	34	11	39	86	78	84

Studies are focused on creating a more equitable social environment, as well as ensuring safety and quality of life. Since 2016, there has been multiple growth in the number of companies that openly declare their values. Although not only levels of social equality and productivity, but also environmental, scientific, educational and aesthetic aspects of the Table 1.

Figure 4. Unicorn companies' value attitudes (dynamics by year) (suggested by the author)

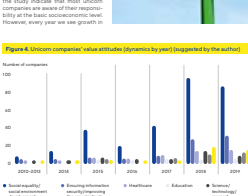


Figure 4. Unicorn companies' value attitudes (dynamics by year) (suggested by the author)

PHOTO: SHUTTERSTOCK.COM

PHOTO: SHUTTERSTOCK.COM



KEY CONFERENCES AND FORUMS

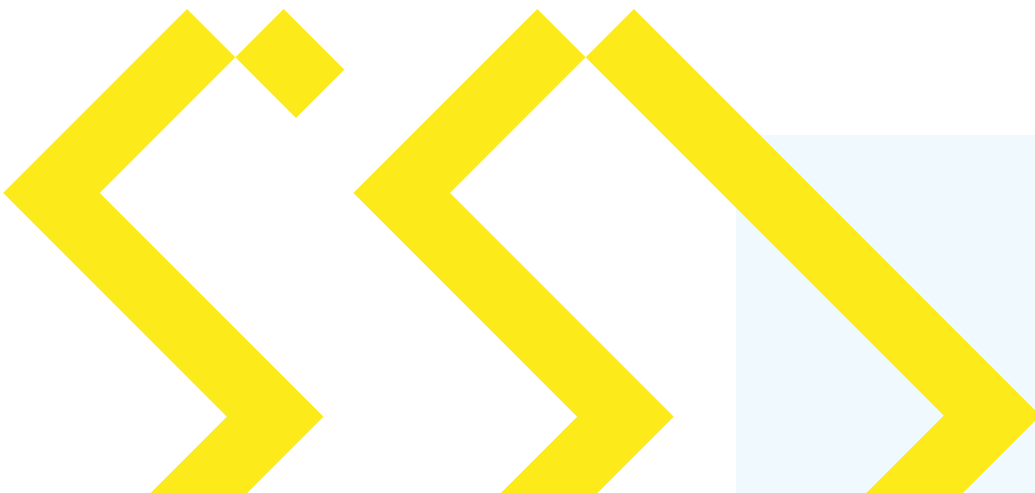
TRANSRUSSIA EXHIBITION

On April 17, 2023 Tazio Schilling, AEB CEO, took part in a plenary discussion on Russia's place on the global logistics map as part of the business program of the TransRussia exhibition – the largest exhibition of transportation and logistics services, warehousing equipment and technologies in Russia.

The AEB CEO spoke about how European companies were adapting to the new economic realities. He stressed that due to

changes in logistics supply chains to European countries, the trajectory of development of business relations between Russian transportation business and partners of European countries had also changed.

Tazio Schilling also assessed the prospects and business opportunities of European industrial, technological and transportation companies operating in Russia.



ST. PETERSBURG INTERNATIONAL LEGAL FORUM

On May 11, 2023 the AEB CEO Tadzio Schilling took part in the XI St. Petersburg International Legal Forum. He spoke at the session “Antimonopoly regulation and intellectual property in the context of globalization”.

Tadzio Schilling also moderated a round table “When a well-known trademark defines a product: problems and solutions” organized by AEB. Representatives from the Court on intellectual rights and the business community took part in the discussion. The panelists elaborated on the global and Russian

practice of assigning a well-known trademark and the prospects for the development of the domestic system of protection of well-known trademarks.

On May 13, 2023 the AEB CEO took the floor at the session “Eurasian intellectual property regulation: extension of jurisdiction”. He reminded about the importance of intellectual property rights protection for companies that continue to operate in the Russian pharmaceutical market and offer innovative therapeutic solutions.



30TH ANNIVERSARY RUSSIAN PHARMACEUTICAL FORUM NAMED AFTER N.A. SEMASHKO

On May 16, 2023 Tadzio Schilling, AEB CEO, spoke at the plenary session of the 30th Anniversary Russian Pharmaceutical Forum named after N.A. Semashko. It was dedicated to ensuring the sustainability of the pharmaceutical market and maintaining availability of medicines in Russia.

Tadzio Schilling noted that despite the unprecedentedly difficult situation, pharmaceutical companies were making every possible effort to continue working in Russia, ensuring

uninterrupted production, contributing to the stability of the pharmaceutical market and the availability of medicines for patients. He also outlined the issues that currently affect foreign business and, in particular, pharmaceutical manufacturers in Russia – the possibility of suspension of double taxation agreements, dividend payments, the “two is a crowd” initiative, and protection of intellectual property rights in the field of pharmaceuticals.



ST. PETERSBURG INTERNATIONAL ECONOMIC FORUM

In June 2023 the AEB CEO Tadzio Schilling participated in the St. Petersburg International Economic Forum (SPIEF'23).

In line with the AEB updated mission – to support members in the current crisis and to keep channels of communication open – the Association opted for “silent-technical” participation with a focus exclusively on practical issues (taxation rules, business climate, etc.). This format allowed AEB to achieve positive results, as well as to deepen the understanding of key

stakeholders of the challenges faced by European companies in the current environment.

A number of meetings were held with representatives of government authorities. A wide range of topics important to AEB members were discussed with stakeholders, such as pharmaceutical regulation, protection of intellectual property rights, economic outlook, and the latest legislative incentives affecting European business in Russia and the EAEU.



INTERNATIONAL MOSCOW AUTOMOTIVE FORUM IMAF 2023

On August 22, 2023 AEB together with ITEMF Expo, the leading exhibition organizer for the automotive industry, held the 14th International Moscow Automotive Forum IMAF 2023.

The topic of the Forum was “Transformation and the future of the global and Russian automotive market”.

Speakers discussed the current challenges facing market participants, strategies and prospects for the development of the automotive industry, and necessary government support measures for suppliers and automakers.

Tadzio Schilling, AEB CEO, delivered a welcome speech to the Forum participants and moderated the plenary discussion.





EASTERN ECONOMIC FORUM 2023

On September 11-12, 2023 the AEB CEO Tadzio Schilling took part in the VIII Eastern Economic Forum (EEF 2023) on Island Russki near Vladivostok.

The AEB agenda at EEF 2023 focused on GR and business meetings: within 2 days at the Forum, there were over 50 touchpoints with stakeholders – from CEOs to Minister and Deputy Prime Minister. For AEB, the Forum remains a platform to continue GR engagement with key stakeholders and to advocate for the interests of its members. The EEF 2023 allowed us to discuss with key stakeholders the acute issues and interests of European businesses operating in Russia.

During the panel “The global system of drug safety: protecting health in a multipolar world” Tadzio Schilling articulated the AEB’s position on the need to maintain international cooperation to ensure the safety of medicines and further development of the healthcare system in Russia and in the world.

BALTIC REGIONAL INVESTMENT FORUM BRIEF’23

On September 21, 2023 the key business event of the Leningrad region, the Baltic Regional Investment Forum BRIEF’23, was organized.

Tadzio Schilling, AEB CEO, took part in the plenary discussion “Adaptation of Russian industrial companies to sanctions: first steps and expectations” and spoke about European businesses localized in Russia in the new economic environment.

The Forum brought together many participants from business, science and government to discuss industrial policy, business support and development of the region.



MOSCOW FINANCIAL FORUM

On September 28, 2023 the 7th Moscow Financial Forum was held. The business program covered such topics as tax policy transformation, public finance management, state property, procurement system and many others.

The AEB CEO Tadzio Schilling spoke at the session “New trends in international tax relations in the modern world” and touched upon the suspension of certain provisions of the DTA, the expansion of the Ministry of Finance’s black list and the list of

offshore companies, as well as the law on excess profits tax. He emphasized that both last year and this year, despite quite strong changes in tax regulation, business was involved in the dialogue on a number of key issues and had the opportunity to propose solutions. On the above issues, AEB was in dialogue with the Government, the Ministry of Finance and the Federal Tax Service, discussing possible negative consequences for business.



INTERNATIONAL CUSTOMS FORUM

On October 30-31, 2023 Moscow hosted the International Customs Forum, which included a round table “Towards business: issues of liberalization of liability”.

The round table was dedicated to the latest measures developed and applied by customs authorities to support foreign trade participants in the area of administrative and criminal liability.

Tadzio Schilling, AEB CEO, took part in the discussion and raised the topic of liberalization of customs offences.



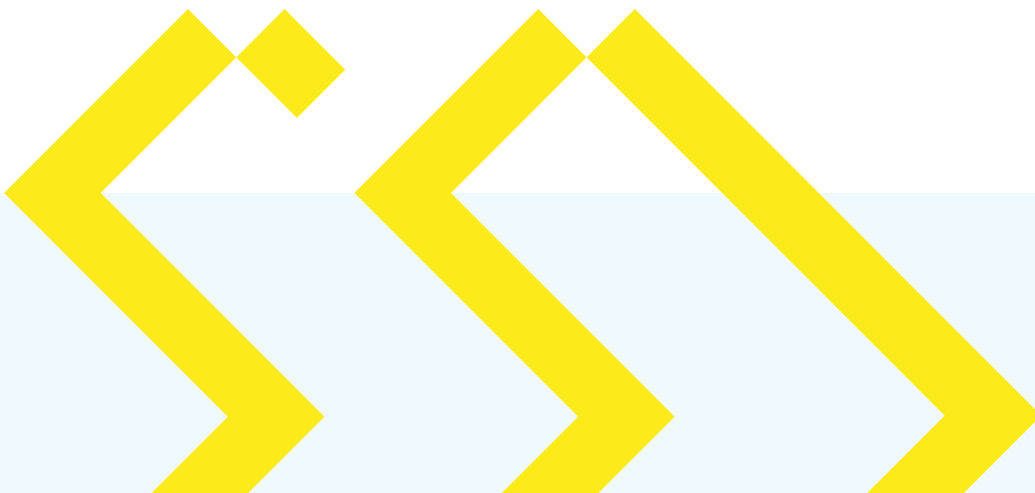
28TH CONFERENCE OF THE PARTIES TO THE UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE (COP28)

On November 30, 2023 the 28th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP28) kicked off in Dubai. It facilitated a discussion on common goals to achieve carbon neutrality in the world and agree on some tools to achieve these goals.

Tadzio Schilling, AEB CEO, represented the Association at this global event. He spoke at a session that covered smart digital solutions to support decarbonization processes. Experts from Russia, UK, Switzerland, China, UAE and India discussed a wide range of pressing issues, including: monitoring and verification of data on greenhouse gas emissions by industrial enterprises, regulatory framework and national specifics of reducing harmful emissions, public and private investments, specific digital solutions and projects to support decarbonization.

The AEB CEO stressed the position of European investors regarding investments in decarbonization and the most attractive areas of investment in decarbonization. He also had a meeting with Andrey Sharonov, CEO of the National ESG Alliance.

COP28 brought together 70,000 delegates and experts from around the world.



COMMITTEES AND WORKING GROUPS REPORTS



INDUSTRIAL COMMITTEES



AGRIBUSINESS COMMITTEE

CHAIRPERSON

Dirk Seelig, General Director, CLAAS

COMMITTEE MEMBERS

CLAAS; CNH Industrial Russia; EkoNiva-Technika Holding (part of EkoNiva group); KUHN VOSTOK

NUMBER OF COMMITTEE MEETINGS

4

of equipment not produced in the country and the production of components. The Ministry of Industry and Trade has been implementing a program to stimulate R&D and a specialized program No. 2281 for agricultural machinery and processing equipment. The Industrial Development Fund (federal and regional) is actively developing and provides preferential loans from 1% per annum for various types of programs.

However, against the background of claimed technological sovereignty, the Russian agricultural machinery market remains highly dependent on imports, mainly harvesters, tractors, mounted and trailed equipment. Belarus and China, being the main importers, quickly covered the high demand for agricultural machinery, but at high prices. To limit tractor imports, the Russian government introduced Decree No. 938 of June 6, 2023 amending disposal fee rates. The rates for tractors increased 2-4 times.

Changes also affected the Agribusiness Committee: some of the members left the Russian market, some changed their form of ownership and resumed work under new brands, and some joined the Committee for the first time.

The Committee focused on the following legislative issues:

- › Strategy for Development of Agriculture and Fisheries until 2030;
- › Government Decree No. 719 "On approval of manufacturing industrial products in the Russian Federation";
- › Government Decree No. 1432 "Subsidies for agricultural producers";
- › growth of disposal fee rates;
- › issuance of the electronic passports for self-propelled vehicles;
- › parallel imports;
- › EU sanctions.

COMMITTEE ACTIVITIES, 2023

The agricultural machinery market landscape continues to transform. In 2023, the Russian government kept protecting and supporting domestic manufacturers of agricultural machinery. To stimulate sales, it allocated subsidies on Program No. 1432 at the 2022 level – 8 billion roubles. The government continues to promote the localization initiative, especially the development

INDUSTRIAL COMMITTEES

AIRLINES COMMITTEE

COMMITTEE
ACTIVITIES, 2023

Since the beginning of 2022, Russian airspace industry has suffered huge losses.

After the Russian banking sector fell under the restrictions, Visa and Mastercard stopped servicing their cards in Russia and canceled services for cards issued by Russian banks worldwide, the Central Bank of Russia banned bank transfers from Russia for non-resident companies registered in “unfriendly countries”, the list of which was approved by the government. The IATA Billing and Settlement Plan system continued to operate, supporting member airlines with their distribution tasks. Some adjustments were made to support the industry with the various restrictions.

The European Commission has suspended the EU Visa Facilitation Agreement; the Russian side has done the same on the basis of reciprocity. Some EU countries have completely closed their borders to travelers from Russia. Due to this, as well as the lack of air transportation with the EU, the tourist flow from Russia was limited and focused mainly on the markets of Turkey, Asia and the Middle East.

One of the main issues for AEB Airlines Committee members was the issue of import-export operations with aircraft spare parts to ensure the daily operation of airlines continuing their program of transportation to/from Russia. Russian Government Decree No. 311 does not contain any exceptions for so-called “friendly countries”, so airlines have to solve issues in case of an aircraft on ground (AOG) situation by transporting a so-called “aid kit” with some spare parts and tools and having an aircraft engineer on board. The AEB Airlines Committee together with the Customs and Transport Committee organized a meeting with Roman Chekushov, Director of the Department of International Cooperation and Licensing in International Trade of the Ministry of Industry and Trade, to discuss possible exceptions to Government Decree No. 311 regarding aircraft spare parts required for prompt repairs in case of AOG. The Ministry of Industry and Trade and the Russian Export Center support the position of the AEB Airlines Committee members. The Committee will keep an eye on possible changes to Government Decree No. 311, which should be updated for 2024.

CHAIRPERSON

Eric Anconetti, Regional General Manager for Russia and CIS, Air France

COMMITTEE MEMBERS

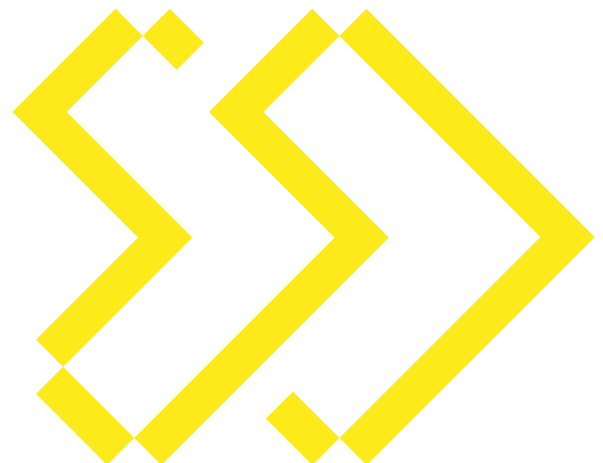
Air France; Emirates; Ethiopian Airlines Group; Etihad Airways; Royal Air Maroc

NUMBER OF
COMMITTEE
MEETINGS

6

NUMBER OF
LOBBYING
LETTERS

3



INDUSTRIAL COMMITTEES

AUTOMOBILE MANUFACTURERS COMMITTEE

CHAIRPERSON

Alexey Kalitsev, Managing Director, Hyundai Motor CIS

ORGANIZED EVENTS

AEB events	Date
AMC Annual Press Conference	12.01.2023
AMC Press Release Presentation	06.07.2023
AEB external events	Date
International Forum "AUTONET 2023"	11.04.2023
Press conference of the ROAD President	19.07.2023
ROAD Convention 2023	24.08.2023

COMMITTEE MEMBERS

AGR; BMW Russland Trading; Chery Automobile Rus; GAZ Group; Haval Motor Rus; Honda Motor Rus; Hyundai Motor CIS; Kia Motors Rus; Mazda Motor Rus; MB RUS; Mitsubishi Motor Rus; MMC Rus; PSA Groupe (Peugeot Citroën Rus); Porsche Russland; Subaru Motor; Suzuki Motor Rus; Toyota Motor; Volvo Cars; Yamaha Motor Rus

NUMBER OF COMMITTEE MEETINGS

40

NUMBER OF LOBBYING LETTERS

14

COMMITTEE ACTIVITIES, 2023

Year 2023 was another unprecedented year in which the automotive industry had to undergo a huge business transformation. By the end of the year, a new face of the business landscape was practically formed. Members that were well-established in Russia and had held a large market share in previous years became minors and gave way to newcomers. Some members left the Russian market completely, some changed ownership and resumed operations under new brands.

In these circumstances, the Committee continued to support its members and tried to find new horizons.

Despite the difficulties with the self-reported car sales data exchange, the Committee successfully found a way to continue publishing car sales data on the monthly basis. In cooperation with the AO PPK a new format of the press release was developed. External users of this information were able to compare official importer/manufacturer data with the overall market, which additionally contained volumes of vehicles sold supplied through alternative sources.

The Committee presented this new approach at a specially organized webinar.

Throughout the year the Committee focused on the following industry issues:

- › state support measures;
- › disposal fee increase;
- › certification procedures and technical regulations;
- › consumer support;
- › aftersales services and logistics;
- › used cars.

The Committee paid particular attention to the sanctions imposed by the European Union, especially under the 11th Package, which had resulted in the disruption of the ability of importers to use diagnostic equipment for warranty and after-sales service.

The Motorcycle Manufacturers Subcommittee monitored the situation on the motorcycle market and analyzed available statistics in order to identify different sources of the motorcycles supply to Russia.

In 2023, the Committee held its annual press conference to announce the results of the year 2022 and provide an industry forecast for 2023.

INDUSTRIAL COMMITTEES



AUTOMOTIVE SUPPLIER COMMITTEE

COMMITTEE ACTIVITIES, 2023

Due to the unprecedented challenges in the automobile industry like the imposed sanctions, which kept the suppliers cut from main supply chains that led to extended time for delivering items, delay in payments, difficulties in maintenance of equipment and so on the automotive suppliers were affected the most in 2023.

The Russian government pushes the automotive manufacturers for localization completely "on-shore", which would allow automotive suppliers to avoid any other effects from sanctions. The suggestion is rather reasonable but it requires a step-by-step program attracting investors.

Strategies and prospects for the development of the automotive industry, necessary state support measures for automotive industry suppliers and automakers were discussed at the International Moscow Automobile Forum 2023 that was organized with the support of the AEB Automotive Suppliers Committee. The event allowed representatives of the automotive industry, government authorities and the business community to raise the most vital issues of the automotive industry.

Among other issues on the agenda of the AEB Automotive Suppliers Committee were: the regulatory situation in relation to the parallel imports, disposal fee, Decree 719 on localization of production, technical regulation TR CU O18/2011 and standards, terms for environmental classes, including Euro 6+.

ORGANIZED EVENTS

AEB events

International Moscow Automobile Forum (IMAF 2023)

Date

22.08.2023

COMMITTEE MEMBERS

Benteler Automotive; BOSCH Group; Dow Europe GmbH; Eberspaecher Climate Control Systems Rus; ISG support-GUS GmbH; LAB Industries; SAF-Holland Rus; Top Lubricants

INDUSTRIAL COMMITTEES

BANKING COMMITTEE

CHAIRPERSON

Mikhail Chaikin, General Director, ING Wholesale Banking in Russia

COMMITTEE MEMBERS

American Express Bank; Banca Intesa; Bank Credit Suisse (Moscow); BNP Paribas Bank; Center-invest Bank; Citibank; Commerzbank (Eurasija); Credit Agricole CIB; Credit Europe Bank; Deutsche Bank Ltd.; HSBC Bank (RR); ING Wholesale Banking in Russia; Natixis Bank; OTP Bank; Raiffeisenbank; RN Bank; Rosbank; UniCredit Bank; VISA

NUMBER OF COMMITTEE MEETINGS

6

NUMBER OF LOBBYING LETTERS

6

COMMITTEE ACTIVITIES, 2023

In 2023 the Committee held several regular meetings of the Committee’s specialized working groups in order to consider various current issues, and initiated several letters to the Bank of Russia, Ministry of Finance, State Duma and other authorities. Many letters were prepared with inputs from other AEB Committees. The Committee closely monitored the Presidential Decrees and CBR clarifications.

The Committee which also includes two Working Groups (WG on Legal Issues and AML, Compliance and Internal Control Issues) had a lot of active discussions and hard work on the draft laws and legislation in force in 2023.

The topics for discussion were as follows:

- › Presidential Decree No. 250 dated 01.05.2023;
- › Federal Law No. 266-FZ;
- › practice of applying Clause 3 of Decree No. 737 (in terms of making payments by residents to “unfriendly” non-residents by authorized banks as part of the reduction in the authorized capital of residents, liquidation and bankruptcy of residents);
- › Federal Law of 04.08.2023 No. 422-FZ “On amendments to certain legislative acts of the Russian Federation” (prohibits financial transactions and permits the blocking of funds of foreign legal entities and individuals, which have been subject to special economic restrictions in Russia);
- › Federal Law of 04.08.2023 No. 470-FZ “On the peculiarities of regulation of corporate relations in economic companies, which are economically significant companies”;
- › draft Federal Law No. 404786-6 “On amending certain legislative acts of the Russian Federation” (draft law on IT/cloud outsourcing);
- › review and discussion of the latest court practice related to the international financial institutions and their subsidiaries in the country.

INDUSTRIAL COMMITTEES



COMMERCIAL VEHICLES COMMITTEE

COMMITTEE ACTIVITIES, 2023

In 2023 the focus of the AEB Commercial Vehicles Committee (CVC) lied in the field of certification and government relations.

The AEB CVC Working Group on Technical Regulation took active part in the discussion of Amendment No. 3 to the TR CU 018/2011 at the EEC level. AEB members raised concern about potential barriers in recognition of the UN directives on conformity assessment that could appear on the backdrop of the geopolitical situation.

Other issues discussed within the AEB CVC Working Group on Technical Regulation were as follows:

- › re-equipment of the vehicles with ERA-GLONASS and ABS;
- › import in accordance with "simplified" technical regulation rules;
- › order of inclusion of the persons authorized by manufacturer into the unified register;
- › vehicles' environmental classes and standards;
- › recall campaigns and warranty services.

Apart from this, the AEB CVC GR Working Group addressed a letter to the Ministry of Transport requiring clarifications to the order of distributing quotas for import of semi-trailer trucks of Euro-6 environmental class used for international transportation. The Ministry of Transport gave explicit answers to the request.

The Committee actively monitored legislative regulations related to changes in the Russian governmental and ministerial management; a disposal fee for heavy trucks; the Strategy for the development of the automobile industry up to 2035.

COMMITTEE MEMBERS

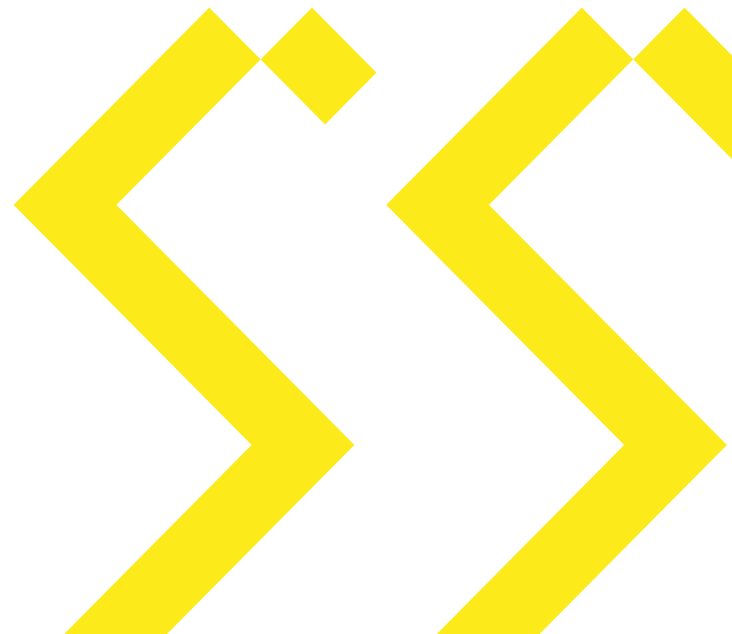
AGR; BWG; Hino Motors; Iveco; Meiller Vostok; Mercedes-Benz Russia; PSA Groupe

NUMBER OF
COMMITTEE
MEETINGS

2

NUMBER OF
LOBBYING
LETTERS

1



INDUSTRIAL COMMITTEES

CONSTRUCTION EQUIPMENT COMMITTEE

CHAIRPERSON

Dmitry Serbin, Project General Manager, Government Regulation Department, Komatsu CIS

COMMITTEE MEMBERS

Caterpillar; CNH Industrial; Komatsu CIS; Hitachi Construction Machinery Eurasia; Hyundai Construction Equipment; Liebherr Russland

NUMBER OF COMMITTEE MEETINGS

7

NUMBER OF LOBBYING LETTERS

3

COMMITTEE ACTIVITIES, 2023

With the introduction of parallel imports, the Construction Equipment Committee observed a massive entry of big Chinese importers of the construction equipment into the Russian market in 2023. The conditions for import are more convenient and more profitable than costly localization of production. In order to regulate the uncontrolled volume of import the Russian Government issued Decree No. 938 as of 6 June 2023 amending disposal fee rates on a range of the self-propelled vehicles.

The Committee continued its work on solving the technical problems related to the issuance of the electronic passports for self-propelled vehicles. In this regard, the Committee together with the Ministry of Industry and Trade and AO "Electronnyi Passport" held a special meeting that allowed to address those problems and find appropriate solutions.

The Committee remains the only source of the construction equipment sales data issued each quarter and provided by the fair companies that try keeping the market of construction equipment as transparent as possible. Though not all market participants currently take part in the AEB statistical data exchange, the Committee continues to attract new players to the data exchange program, in particular Chinese brands.

The Committee represented by a separate CEC Technical Regulation Working Group also actively participates in setting and promoting the technical regulation and certification issues with regards to self-propelled vehicles (jointly with the Agribusiness Committee) and operatively addresses relevant issues.

The Committee stays the member of the Committee of the European Construction Equipment (CECE), which allows to stay tuned on the current trends of the European and global market of construction equipment.

INDUSTRIAL COMMITTEES



CONSTRUCTION INDUSTRY & BUILDING MATERIAL SUPPLIERS COMMITTEE

COMMITTEE ACTIVITIES, 2023

The Committee represents within AEB a variety of businesses with very heterogeneous industrial and commercial backgrounds and with a diversity of interests but with construction materials as a common bound.

In 2023, the Committee's efforts concentrated on building a common position on the following issues:

- › state control of building materials and products;
- › the draft EAEU TR "On the safety of building materials and products";
- › individual housing construction;
- › preferential mortgage programs;
- › standards on "green" construction;
- › pricing mechanisms in the building materials market and price regulation;
- › equipment and spare parts supply issues;
- › application of best available technologies in the field of waste management;
- › international payments mechanisms.

The Committee worked to improve interaction with ministries and agencies, as well as other industry associations.

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

CHAIRPERSON

Vitaly Bogachenko, Director of Corporate Relations and Sustainable Development, CEMENTUM

COMMITTEE MEMBERS

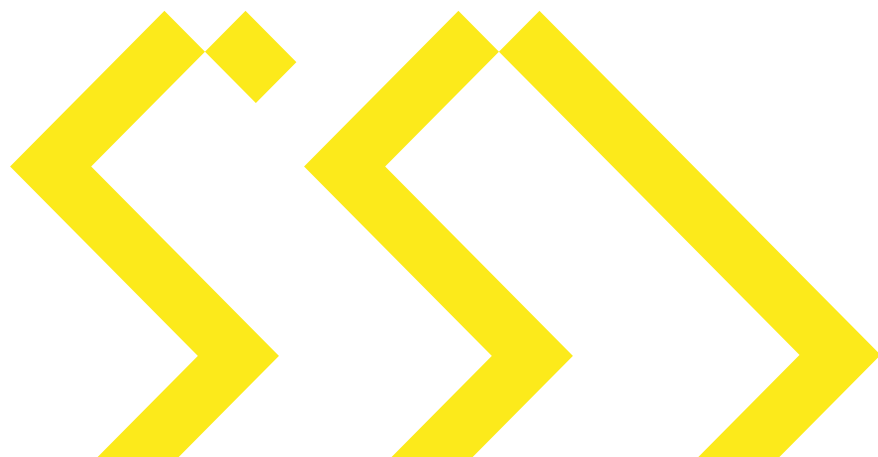
BASF; Cersanit; CEMENTUM; Dow Europe GmbH Representation office; HeidelbergCement Rus; Knauf Group; LAB Industries; LARTA GLASS; Legrand; ПОКВУЛ; Saint-Gobain; Tikkurila; ROCA; SLK Cement; Wienerberger

NUMBER OF
COMMITTEE
MEETINGS

4

NUMBER OF
LOBBYING
LETTERS

3



INDUSTRIAL COMMITTEES

CROP PROTECTION COMMITTEE



CHAIRPERSON

Konstantin Beldyushkin, CP BU Head Russia-KAZBEC, Syngenta

COMMITTEE MEMBERS

ADAMA; BASF; BAYER; SIPCAM; Syngenta; Synthesia Chemi

NUMBER OF COMMITTEE MEETINGS

35

NUMBER OF LOBBYING LETTERS

18

COMMITTEE ACTIVITIES, 2023

In 2023 Committee activities focused on a key issue – planned introduction of quotas for pesticide import to Russia. It is a sensitive measure of pesticide import regulation for all international CPP manufacturers. Committee representatives took part in discussions on different platforms. Efficient interaction was developed with main business associations and unions, uniting agricultural producers for whom pesticides are one of the key means of production: Sugar, Potato, Fruit and Vegetables, etc. Committee efforts aimed to establish clear and transparent tools of the non-tariff measure of regulation pesticide import to Russia. The discussions will be continued in 2024.

Two other important issues – optimization of CPP state registration procedure and combatting counterfeit pesticides – continued to be at the center of Committee activities. The first one was discussed in the framework of the regulatory guillotine mechanism, for the second one it is worth noting participation of Committee representatives in the International Forum “Anticounterfeit”.



INDUSTRIAL COMMITTEES



ENERGY COMMITTEE

COMMITTEE
ACTIVITIES, 2023

Together with leading international market experts and the AEB Green Initiative, Committee members discussed such issues as: trends in energy transition globally and in Russia, the capacity of energy sector in Russia, the role of hydrogen and other renewable energy sources in the fuel and energy complex, the prospects for a green economy in the world, the gas and oil industry's business environment, the European and global energy balance in the new reality.

CHAIRPERSON

Ernesto Ferlenghi

COMMITTEE MEMBERS

Branch of OMV Russia Upstream GmbH (Austria); Chevron Neftegaz Inc.; EL5-Energo; Eni S.p.A.; ENGIE; MOL Plc; Shell E&P Services (RF) B.V.; TotalEnergies; Uniper Global Commodities SE; VNG Handel & Vertrieb GmbH

NUMBER OF
COMMITTEE
MEETINGS

4

INDUSTRIAL COMMITTEES

FOOD PROCESSING
COMMITTEECOMMITTEE
ACTIVITIES, 2023

In 2023, a special focus of the Committee's work was to support member companies confronting the volatile economic and regulatory environment with a purpose to ensure uninterrupted production and import of food products to the Russian market.

CHAIRPERSON

Tatiana Tkachenko, Public Affairs Director, H&N

COMMITTEE MEMBERS

Barry Callebaut; Bacardi; Bayer; Bonduelle; Campari; Cargill; DSM; Corteva Agriscience; Ekoniva; Ferrero Russia; Filippo Berio; H&N; Herbalife Nutrition; Heineken Breweries; Louis Dreyfus Commodities Vostok; Mars; Multon Partners; Nestle Rossiya; PepsiCo; Perfetti van Melle; Pernod Ricard Rouss; SAF-Neva; Unilever; Zentis Russland

NUMBER OF COMMITTEE MEETINGS

4

NUMBER OF LOBBYING LETTERS

22

The Committee was actively involved, had discussions and drafted letters on the Russian and EEC technical regulation related to food production and digital labelling, as well as on such cross-sectoral issues as import and export tariffs and digital document flow.

INDUSTRIAL COMMITTEES

HEALTH & PHARMACEUTICALS COMMITTEE

CHAIRPERSON

Yana Kotukhova, Government Affairs and Communications Director in Russia and EAEU, Servier

COMMITTEE MEMBERS

Astellas Pharma; AstraZeneca Pharmaceuticals; BAYER; BIOCAD; Bionorica; Boehringer Ingelheim; Canon Medical Systems; Chiesi Pharmaceuticals; DSM; Egis Pharmaceuticals PLC (Hungary); GE Healthcare; GlaxoSmithKline Trading; Heel Rus; Ipsen; Karl Storz; Lundbeck Rus; Merck; MirVracha; Novartis Group Russia; Novo Nordisk A/S; Philips; Procter & Gamble; Reckitt Benkiser Healthcare; Roche Diagnostics Rus; Sanofi Russia; SERVIER; Siemens Healthcare; Stada CIS; Teva; Varian Medical Systems

COMMITTEE ACTIVITIES, 2023

In 2023 the most important GR issues for pharmaceutical companies were as follows:

- › anti-crisis measures to support the pharmaceutical industry: ensuring the availability of medicines for patients in the Russian Federation, the proper support of humanitarian missions to supply medicines in Russia, the continuation of business of pharmaceutical companies in Russia;
- › pricing, price re-registration: Government Decrees Nos. 441, 1771;
- › protection of patent rights of pharmaceutical manufacturers: parallel imports, compulsory licensing, registry of active substances with pharmacological activity, off-set contracts;
- › logistics of medicines: reloading and transportation through the Republic of Belarus;
- › innovative contracts: establishment of the FAS Working Group on the mechanism of procurement under innovative contracts;
- › EU sanctions: restrictions on the export of raw materials, components and auxiliary substances from the EU to Russia.

The most important issues for the medical devices' producers and suppliers were as follows:

- › exports of defective spare parts for medical devices outside the Russian Federation;
- › exports of the whole medical devices, the disassembly of which requires special conditions provided by the manufacturer, spare parts/components of medical devices and tools necessary for the maintenance of medical devices, outside the Russian Federation for their warranty/post-warranty maintenance, including repair;
- › exports of spare parts of medical devices outside the Russian Federation for warranty/post-warranty maintenance, including repair, of medical devices located in the EAEU countries;
- › exports of samples of medical devices imported for registration purposes, after the tests, outside the Russian Federation;
- › exports of medical devices for the purposes of conducting investigations on adverse events associated with a medical device outside the Russian Federation.

The Committee's issues were addressed at the AEB high-level briefings and meetings with: Maxim Reshetnikov, Minister of Economic Development; Denis Manturov, Minister of Industry

and Trade; Anton Siluanov, Minister of Finance; Mikhail Murashko, Minister of Healthcare; Elvira Nabiullina, Governor of the Central Bank; Maxim Shaskolskiy, Head of the Federal Antimonopoly Service; Yuri Zubov, Head of the Federal Service for Intellectual Property; Sergey Glagolev, Deputy Minister of Healthcare; Yuriy Plyasunov, Director of the Radioelectronic Industry's Department at the Ministry of Industry and Trade; the EU Delegation; the EU Commission; the Eurasian Economic Commission; the Eurasian Patent Organization.

Committee's issues were presented at the external events: a healthcare plenary session at SPIEF 2023; a healthcare session at the Eastern Economic Forum; St. Petersburg International Legal Forum; Forum "Healthcare in Russia"; Eurasian Conference on Intellectual Property and Technology; Meeting of the BRICS+ Working Group.

NUMBER OF
COMMITTEE
MEETINGS

15

NUMBER OF
LOBBYING
LETTERS

18

INDUSTRIAL COMMITTEES

HOME APPLIANCES
MANUFACTURERS COMMITTEECOMMITTEE
ACTIVITIES, 2023

In 2023 the AEB Home Appliances Manufacturers Committee focused on such issues as F-gases regulation, energy efficiency labelling, technical regulations, waste management, as well as enhanced its international cooperation with APPLiA, its European counterpart. Through its annual conference on regulation topics, it offered a platform for both regulatory authorities and AEB members.

The Committee sent 16 lobbying requests to the state authorities of the Russian Federation and EAEU, most of them related to F-gases regulation.

CHAIRPERSON

Pavel Rudyakov

ORGANIZED EVENTS

AEB events

Energy efficiency technical regulation for energy consuming appliances: application of TR EAEU 048/2019 and European best practices

Date

05.12.2023

NUMBER OF
COMMITTEE
MEETINGS

6

NUMBER OF
LOBBYING
LETTERS

16

The main results of the Committee's activities in 2023 are as follows:

- › Exclusion of electronic products from the draft EAEU Technical Regulation "On materials which contact with food products". AEB representatives were included in the working group created by Rospotrebnadzor.
- › Exclusion from amendments to EAEU ROHS Technical Regulation of the requirement to provide recycling logos and recyclability requirements for products.
- › After intensive discussions with Belarus, Armenia, Russian authorities agreed to postpone F-gas license procedure at least up to 2029. Potentially Kazakhstan is ready to support this initiative too. Negotiations with Kyrgyzstan are in process.

Waste regulation:

- › Managed to maintain recycling targets at 2024 levels for 2023 instead of the +10% increase previously planned by the Russian authorities. This will support Committee members in developing self-recycling initiatives.

Energy efficiency regulation:

- › The Committee organized the Annual Energy Efficiency Conference for the 3rd time, which proved to serve as a platform for dialogue between the Eurasian Economic Commission and experts from Gosstandart of Belarus, APPLiA, colleagues from Kazstandard (Kazakhstan state standardization body).
- › Improved interaction with the Eurasian Economic Commission, the Russian Ministry of Industry and Trade.

COMMITTEE MEMBERS

Ariston Thermo Rus; BEKO; Brother; BSH Bytowije Pribory; Delonghi; Electrolux; Groupe SEB-Vostok; Kaercher; Liebherr; Mitsubishi Electric; Philips; Procter & Gamble; SMEG; Systeme Electric; Tenacta

INDUSTRIAL COMMITTEES

HOTELS & TOURISM COMMITTEE



CHAIRPERSON

Stanislav Kondov, Cluster General Manager, Radisson Collection Hotel and Radisson Slavyanskaya Hotel & Business Center

COMMITTEE MEMBERS

Accor Groupe; Ararat Park Hotel Moscow; Hilton Russia LLC (USA) Branch; Hotel Astoria; Hotel Baltshug Kempinski Moscow; Hotel Continental; Hotel Management Company (The Carlton); International Hotel Investments (Benelux) B.V.; LOTTE RUS; Mercure Ibis Adajio Moscow Centre Bakhrushina; Metropol Hotel Moscow ("MC "Okhotny Ryad"); MICE Excellence; Swissôtel Krasnye Holmy Moscow; PARK HUAMING (Soluxe Hotel Moscow); Radisson Collection Hotel Moscow; WONE Hotels

COMMITTEE ACTIVITIES, 2023

The Committee will continue to monitor changes in Russian and international legislation that may affect hotel operations in Russia, as well as incoming and domestic tourism. The key issues of the Committee activities in 2023 are as follows:

- › 0% VAT on restaurant services in hotels and 0% VAT on tourism. The Hotels & Tourism and Taxation Committees prepared a conclusion on the Ministry of Economic Development's draft law proposing to apply 0% VAT to all hotel services, regardless of the hotel's star rating. The AEB proposal was accepted, and the text of the draft law will be amended.
- › Quality and cost of staff. Committee members noted an increase in the cost of outsourced staff. Some members were forced to increase salaries as they were below market rates. Members took a differentiated approach to the salaries of

senior and junior staff. Finding a replacement for a middle management position in Moscow is becoming more difficult due to the brain drain from Russia.

- › Data protection. Protecting guest and employee data is complicated by restrictions on cross-border data transfers imposed by local laws. Hotels used to apply international software that is now banned. External data protection providers do not take responsibility for data loss.
- › Water labelling. The requirement to scan water, alcohol and some other products in the minibar creates difficulties at the checkout.
- › Visas. Committee members are waiting for groups from China to improve the occupancy rate. Unfortunately, tourist group visas (from 3 guests) are still not working. Committee members would like to lobby for an expansion of the list of countries with a simplified visa application process, e.g. BRICS countries, Iran, etc. Committee members are in favor of the return of e-visa.
- › Non-refundable rates in the hotel industry. In the airline industry, non-refundable fares are in line with international practice and local legislation. However, in the hotel sector, the penalty for no-show is only the cost of one night's accommodation, as there is no legal basis for non-refundable tariffs in the hotel sector in Russia. The Ministry of Economic Development is considering amending the legislation so that the airline and hotel industries have the same rules on tariffs and room rates.
- › Migration policy. Committee members reported that at the end of October, hotels in the central district of Moscow were

subject to checks on migrant workers. If violations of the migration law are found, the hotels and the workers will be fined. The issue of checks was raised with representatives of the Ministry of Internal Affairs at the AEB Migration Conference on 6 December 2023.

- › Mandatory deposit at check-in. Hospitality industry's practice does not comply with Russian legislation in respect of deposit for extras. Guests have the right to refuse to pay the deposit for extra consumption of hotel services (minibar, international calls, damage, etc.). The Committee Chairperson had a discussion with Mr. Reshetnikov, Minister of Economic Development. The Minister agreed to amend the legislation accordingly, so that the airline and hotel industries have the same rules on airline tariffs and room rates.
- › Payment methods by foreigners in advance or at check-in time. The State Duma has allowed foreign tourists to obtain Russian bank cards. Transfers to foreign banks are still a problem. Tourists therefore bring cash with them. If they exceed the limit, the money could be confiscated. Committee members suggest that the limit for tourists, especially to those from Arab countries, should be raised.

NUMBER OF
COMMITTEE
MEETINGS

4

NUMBER OF
LOBBYING
LETTERS

3

INDUSTRIAL COMMITTEES

INSURANCE & PENSIONS COMMITTEE

COMMITTEE ACTIVITIES, 2023

The Committee was very effective in 2023. The topics for discussion were as follows:

- › RNRC in SDN list;
- › securitization;
- › Draft Law on terrorism (No. 375852-8);
- › Draft Law No. 404786-8 "On Amendments to Certain Legislative Acts of the Russian Federation" (in terms of improving the legal framework for information technology outsourcing and the use of cloud services by financial organizations);

CHAIRPERSON

Marina Sotova, CEO, Thuricum

ORGANIZED EVENTS

AEB events

Update on the pension reform.
Corporate pension programmes in the new reality

Date

17.03.2023

Social benefits. New opportunities and solutions

10.10.2023



- › Order of the Ministry of Finance of Russia dated 05.06.2023 No. 86n "On approval of the List of states and territories that provide a preferential tax regime for taxation and (or) do not provide for the disclosure and provision of information when conducting financial transactions (offshore zones)";
- › Draft Law on amendments to the Law on the organization of insurance business, which provides for the mandatory creation of risk management and internal control systems by insurers;
- › Draft Law No. 405773-8 (risk management and internal control system);
- › Federal Law No. 442-FZ dated 04.08.2023 "On Amending the Federal Law 'On the Central Bank of the Russian Federation (Bank of Russia)' and Certain Legislative Acts of the Russian Federation and on the Annulment of Certain Provisions of Legislative Acts of the Russian Federation";

- › Federal Law No. 422-FZ dated 04.08.2023 "On Amendments to Certain Legislative Acts of the Russian Federation";
- › Federal Law No. 442-FZ dated 04.08.2023 "On Amending the Federal Law 'On the Central Bank of the Russian Federation (Bank of Russia)' and Certain Legislative Acts of the Russian Federation and on Annulling Certain Provisions of Legislative Acts of the Russian Federation" (in terms of improving the mechanism of consideration by the Bank of Russia and financial market participants of applicants' appeals).

NUMBER OF COMMITTEE MEETINGS

14

NUMBER OF LOBBYING LETTERS

7

COMMITTEE MEMBERS

B1 Group; Capitolina Tourbina; Chubb Insurance Company; Credendo – Ingosstrakh Credit Insurance; Euler Hermes; GARDIA Insurance Company; NPF "Deserving FUTURE"; Pension solutions, NPF; RB Life Insurance; SCOR Moscow Representative Office; SEAMLESS LEGAL LIMITED (UAE); SOGAZ Insurance Group; Thuricum Insurance Company; Tinkoff Insurance; Zetta Life

INDUSTRIAL COMMITTEES

IT & TELECOM COMMITTEE

CHAIRPERSON

Maria Ostashenko, Partner, ALRUD Law firm

ORGANIZED EVENTS

AEB events

Critical information infrastructure

Date

29.06.2023

Personal data. Key changes and challenges

11.10.2023

NUMBER OF COMMITTEE MEETINGS

4

NUMBER OF LOBBYING LETTERS

3

COMMITTEE ACTIVITIES, 2023

The Committee organized two open events with the number of participants of more than 100. Committee members also discuss topics initiated by other Committees and generally update legal information during Committee meetings.

Among the most important issues addressed in 2023 were:

- › software licenses;
- › critical information infrastructure (Decree No. 250);
- › software import substitution;
- › personal data;
- › cross-border data transfer;

- › new requirements for profiling users on the Internet;
- › new obligations for hosting providers;
- › new rules for authorizing users on sites;
- › increased fines for owners of social networks;
- › law on technology companies;
- › landing of Amazon and other hosting providers.

COMMITTEE MEMBERS

ALRUD Law Firm; B1 Group; Boehringer Ingelheim; Brother; Cargill; Caterpillar Eurasia; Commerzbank (Eurasija); DAT-Rus; EPAM Law Offices; GARDIA Insurance Company; GE Healthcare; GROUPE SEB-VOSTOK; HSBC Bank (RR); JTI Russia; MB RUS; Mega Service; Melling, Voitishkin & Partners; Mikenopa; Morgan Lewis; Orange Business Services; Oriflame; Pepeliaev Group; Philip Morris Sales and Marketing; Procter & Gamble; SAIPEM SPA Branch in Moscow; Sapozhnikov & Partners; SCHNEIDER GROUP; SEAMLESS LEGAL LIMITED (UAE); Shell Exploration and Production Services (RF) B.V.; Siemens; Technologies of Trust – Consulting; VEGAS LEX; Yusen Logistics Rus; Yves Rocher Vostok; Zetta Life

INDUSTRIAL COMMITTEES

RETAIL TRADE COMMITTEE

COMMITTEE ACTIVITIES, 2023

In 2023, the Committee addressed the following issues:

- › several initiated amendments of the Law on Trade referring to price regulation and fixed shares of Russian goods in trade assortment;
- › legal and illegal parallel imports;
- › labeling and traceability requirements and labeling practices in certain goods' categories;
- › online trade issues *inter alia* related to consumer protection;
- › possible restrictions for foreign market research agencies;
- › alcohol trade issues;
- › proposed import restrictions for certain non-food products.

The Committee actively cooperated with the AEB Working Group on Parallel Imports and the AEB Working Group on Labelling and Track & Trace System, and participated in the work of the AEB inter-committee bodies.

The Committee pursued external communications with governmental officials and other associations (e.g. through organizing an open meeting with Nikita Kuznetsov, Director of the Internal Trade Development Department, Ministry of Industry and Trade). The Committee was represented in the Expert Councils of the Federal Antimonopoly Service on the development of competition in retail trade and on the development of competition in the alcoholic beverages markets.

CHAIRPERSON

Alexey Grigoriev, Public Policy Director, METRO Russia

COMMITTEE MEMBERS

Auchan Russia; Lenta; LEROY MERLIN Russia; METRO Cash&Carry; M.Video; New Fashion; Selgros

NUMBER OF
COMMITTEE
MEETINGS

13

NUMBER OF
LOBBYING
LETTERS

17

Among the outcomes of the Committee's work: several draft laws on price and excessive trade regulations were rejected by the State Duma, the Committee and other interested AEB members agreed on ways to exchange information to combat illegal parallel imports. On other issues, the Committee's views were duly communicated to the relevant stakeholders in the Russian Government and Parliament.

The Committee prepared the fall issue of the AEB periodical "Business Quarterly" covering the situation in the Russian consumer market and work on a number of the most pressing topics for the trade.

INDUSTRIAL COMMITTEES



SEED COMMITTEE

CHAIRPERSON

Denis Zhuravskiy, Head of GR Russia, Syngenta

COMMITTEE MEMBERS

BASF; BAYER; Corteva Agriscience; KWS; Limagrain; SAATBAU; Syngenta

NUMBER OF COMMITTEE MEETINGS

15

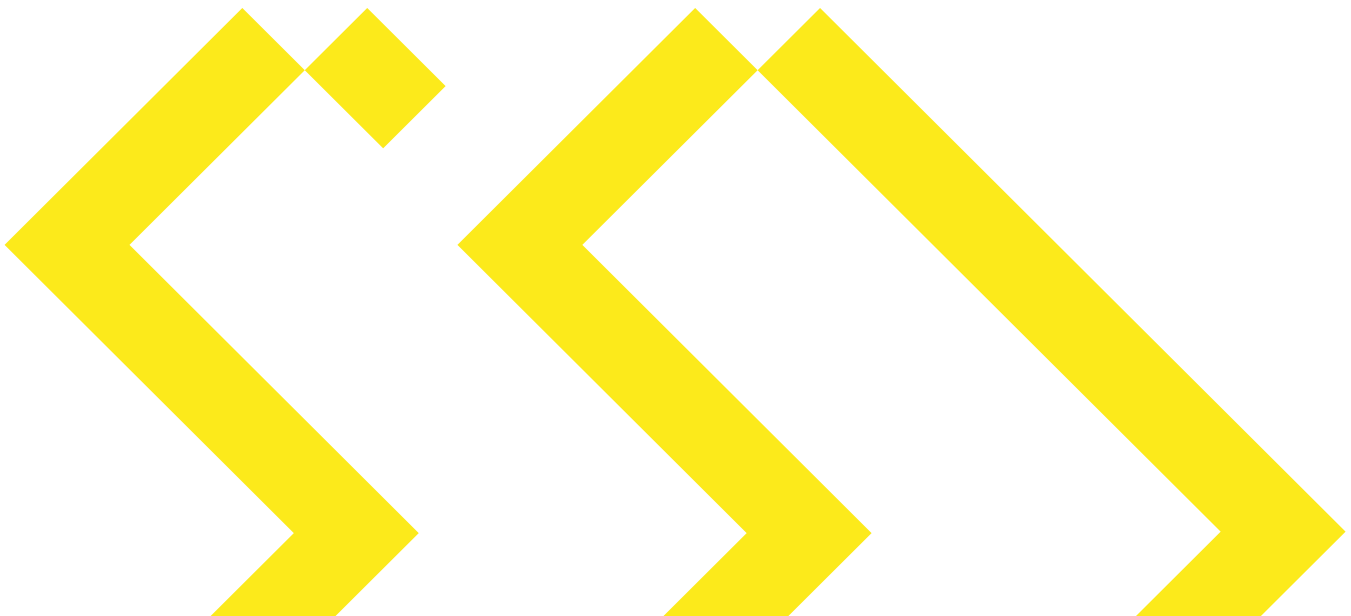
NUMBER OF LOBBYING LETTERS

20

COMMITTEE ACTIVITIES, 2023

In 2023, the main efforts of the Committee focused on new regulation of the seed industry. Legislative requirements for seed imports and localization of seed production are becoming more stringent.

Members of the Committee held meetings with the main regulators – Ministry of Agriculture, Rosselkhoz nadzor and Deputy Prime Minister V. Abramchenko. The meeting with V. Abramchenko ended with a positive moment. The draft law “On Amendments to the Federal Law 454 “On Seed Production”, which was actively discussed in spring, was amended to remove the redundant requirement to submit the conclusion of a scientific organization on the results of scientific research in the field of seed production, which is the responsibility of seed importers. Federal Law No. 485 was adopted on August 4, 2023.



CROSS-SECTORAL COMMITTEES

COMPLIANCE & ETHICS
COMMITTEECOMMITTEE
ACTIVITIES, 2023

An active discussion on the following topics took place at the meetings:

- › compliance function in pharma;
- › counterparty due diligence in the current environment;
- › compliance function in FMCG;
- › a risk-based decision-making approach;
- › foreign trade activities and international business communications in the current situation;
- › business HR; legal and compliance trends in investigations and dismissals; disciplinary actions for compliance violations up to and including dismissal.

An open event “Personal data. Changes and challenges” was organized jointly with the AEB IT & Telecom Committee and the AEB Labour Law Subcommittee (of the AEB HR Committee) on October 11, 2023. During the event, leading experts spoke about what awaits businesses in the field of personal data regulation in 2024 and how to prepare for the changes; important current developments in the legal regulation of personal data processing of employees and candidates; cross-border transfer of personal data and localization; as well as key rules, risks, practices and topical aspects of personal data destruction and assessment of harm that may be caused to personal data subjects.

CHAIRPERSON

Polina Presnyakova, Legal Affairs Director and Compliance Officer, Russia & EAEU, Servier

ORGANIZED EVENTS

AEB event

Open event “Personal data. Changes and challenges” (organized jointly with the AEB IT & Telecom Committee and the AEB Labour Law Subcommittee (of the AEB HR Committee))

Date

11.10.2023

NUMBER OF
COMMITTEE
MEETINGS

4

COMMITTEE MEMBERS

ADVANT Beiten; Air France; Akzo Nobel Coatings; AliExpress Россия; ALRUD Law Firm; AstraZeneca Pharmaceuticals; Atlas Copco; B1 Group; Barry Callebaut; BAYER; BNP Paribas; CARDIF Insurance company; Boehringer Ingelheim; BOSCH Group; BRAND & PARTNERS; Buhler AG Moscow Representative office; BWG; Caterpillar Eurasia; Center-invest Bank; Ceramic Solutions Rus; Coleman Group; Continental Tires RUS; Credendo – Ingosstrakh Credit Insurance; Credit Agricole CIB; DHL Express; EPAM Law Offices; Euler Hermes; Expo Mobility; FCM Leasing; GARDIA Insurance Company; H&N; HSBC Bank (RR); IHP Appliances Sales; International Tobacco Group; ITMS Russia; Karl Storz; Kept; Kesarev; LANXESS; Legrand; Limagrain RU; M.Video; MB RUS; Melling, Voitishkin & Partners; Merck; METRO Cash&Carry; NAWINIA; New Fashion; Nextons; Novo Nordisk A/S; Pepeliaev Group; PepsiCo; Peugeot Citroën Rus (Groupe PSA); Philips; Porsche Russland; Procter & Gamble; Reckitt Benckiser (RB Hygiene); Reckitt Benckiser Healthcare; Risk Advisory Group Ltd; Roche Diagnostics Rus; ПОКВУЛ; Rosbank; Sapozhnikov & Partners; SCHNEIDER GROUP; SEAMLESS LEGAL LIMITED (UAE); SERVIER; Shell Exploration and Production Services (RF) B.V.; Siemens; Syngenta; Technologies of Trust – Consulting; Teva; Thuricum Insurance Company; Tinkoff Insurance; Total Energies EP Russie, Representative office in Moscow; Toyota Motor; UniCredit Bank; Unilever Rus

CROSS-SECTORAL COMMITTEES

CUSTOMS & TRANSPORT COMMITTEE

CHAIRPERSON

Wilhelmina Shavshina, Partner, Global Trade and Customs Regulation Leader, B1 Group

DEPUTY CHAIRPERSONS

Alexander Perrote, Customs Project Manager, Leroy Merlin Vostok

Vadim Zakharenko, IRU General Delegate to Eurasia

ORGANIZED EVENTS

AEB events	Date
AEB, JETRO & JBC customs committees' joint meeting	28.02.2023
AEB Round Table at TransRussia Exhibition	18.04.2023
AEB Customs Conference	23.06.2023
AEB, AmCham, Confindustria, ICCFR networking event	28.09.2023
AEB external events	Date
RSPP forum on decriminalization	14.02.2023
Meeting with N.A. Zolkin, Director of Department, Minfin, re customs issues	16.02.2023
WG on categorization meeting with A.V. Sazanov, N.A. Zolkin, Minfin, and R.V. Davydov, FCS, on categorization, decriminalization and dividends issues	17.02.2023
The Federal Assembly of the RF Roundtable on transportation issues	15.03.2023
Meeting with M.S. Oreshkin, Presidential Aide, on decriminalization	22.03.2023

COMMITTEE ACTIVITIES, 2023

The Committee members and experts took active part in the work of:

- › the EEC expert groups on customs value, on customs duties payment, on elimination of customs barriers and authorized economic operator to discuss the EEU Customs Code and customs regulation;
- › the Permanent Commissions of the Expert Advisory Council under FCS to discuss practical issues of customs valuation, customs duties administration and control, prevention of customs offences and many other issues;
- › Giant Four meetings (RSPP, Delovaya Rossia, Opora Rossii, Russian Chamber of Commerce) to form a consolidated business associations' approach to the most important customs issues like amendments to the EEU Customs Code, Federal Law No. 289 on customs regulation regarding bounded warehouses, decriminalization of customs offences, etc.

As a result of the changing position of the courts and the Supreme Court of the Russian Federation on the inclusion of dividends, royalties, agent VAT and other payments in the structure of the customs value of imported goods and the subsequent negative judicial practice for companies, foreign trade participants faced an unprecedented number of customs control measures on this issue, resulting in the accrual of large additional customs payments and the imposition of penalties in a number of cases. Committee members held a number of meetings with representatives of the Ministry of Finance and the Federal Customs Service. As the issue of customs value is a very sensitive one for AEB members, the Committee proposed the creation of a Customs Value Working Group.

Over the past few years, the issue of outdated criminal law provisions relating to economic crimes as a factor hindering the economic development of the Russian Federation has been actively discussed at various venues. Committee members have proposed amendments to the Criminal Code of the Russian Federation that would help to eliminate unjustified pressure on business and ensure that criminal liability as the strictest measure of state influence is applied only in the most extreme cases.

Starting October 1, 2023, export customs duties were introduced on a wide range of goods in accordance with the list approved by Decree No. 1538 of the Government of the Russian Federation dated September 21, 2023. Decree No. 1538 does not provide for an exemption for low-value cargoes, and therefore export duty is imposed on samples (both for representing further sales and for certification of Russian products abroad), spare parts, promotional materials, e-commerce shipments, documents and correspondence and other goods. The Committee drafted a letter to the Russian Government with proposals on exceptions/amendments to the Decree on low-value cargoes and food non-durable export products.

The Committee also touched on the shortage of staff in the transport and logistics sector, as well as the installation of navigation seals on the territory of the Eurasian Economic Union for freight traffic, as stipulated by the relevant intergovernmental agreement, which entered into force on April 3, 2023. Transportation and logistics companies are concerned about the introduction of navigation seals and perceive this initiative as an excessive additional control tool, leading to an excessive administrative and financial burden and, ultimately, to an increase in the cost of transported goods. To mitigate these risks, the Committee has advocated the inclusion of goods transported under the TIR Convention or for which the declarant is an AEO in the list of exceptions, i.e. when tracking with navigation seals is not applicable.

NUMBER OF COMMITTEE MEETINGS	24	NUMBER OF LOBBYING LETTERS	17
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ORGANIZED EVENTS

AEB events	Date
Meeting with the FIAC and M.G. Reshetnikov, Minister on Economic Development, on decriminalization	27.03.2023
Meeting with L.V. Tschuyr-Trukhanovich, Director of Department, Ministry of Economic Development	31.03.2023
AEB CEO participation in the plenary session of TransRussia Exhibition	17.04.2023
AEB CEO participation in the Legal Forum on decriminalization issues	11-13.05.2023
AEB CEO participation in the SPIEF on decriminalization issues	14-17.06.2023
Meeting with E. Alisherov, EEC Minister, on customs regulation	26.06.2023
Online meetings with FCS re bounded warehouses draft law	03.07.2023 07.07.2023
AEB CEO participation in the Eastern Economic Forum on decriminalization	5-8.09.2023
ICCTT meeting on navigation seals	19.09.2023
AEB CEO participation in the XXXII plenary session and signature of MoU	17.10.2023
Online meeting with FCS re radiation control for bounded warehouses	23.10.2023
International Customs Forum, round table on liberalization	30.10.2023
Meeting with A.V. Sazanov, Deputy Minister of Finance, on customs issues	20.11.2023

COMMITTEE MEMBERS

AGR; Ahlers; Air Liquide; Akzo Nobel Coatings; Alfa Laval Potok; Almi; ALRUD Law Firm; Atlas Copco; B1 Group; Barry Callebaut; BAYER; Beiersdorf; BLCONS GROUP; BMW Russland Trading; Boehringer Ingelheim; Bonduelle-Kuban; Brother; BWG; CAMPARI RUS; Cargill; Caterpillar Eurasia; Chery Automobile Rus; CLAAS Continental Tires RUS; CORTEVA Agriscience Rus; Delonghi; Denuo; Denuo Branch in St.Peterburg; DHL Express; Dow Europe GmbH Representation office; DSM; EkoNiva-Technika Holding; EPAM Law Offices; Evonik; Ferrero Russia; GE Healthcare; GROUPE SEB-VOSTOK; H&N; Haval Motor Rus; Heel Rus; HERBALIFE NUTRITION; Hino Motors; Hitachi Construction Machinery Eurasia; Honda Motor RUS; Hyundai Motor CIS; IHP Appliances Sales; Ikon Tyres, Ltd; International Road Transport Union; Permanent Delegation to Eurasia; International Tobacco Group; ITMS Russia; JETRO; JTI Russia; Kappa RUS; Kept; Kesarev; Knauf Group CIS; LAB Industries; LANXESS; Law Company TAXOLOGY; LEROY MERLIN Russia; Lex Borealis; LiftConnect; L'Oreal; Mars; Mega Service; Melling, Voitishkin & Partners; METRO Cash&Carry; Mitsubishi Electric (Russia); MMC Rus; Multon Partners; NAWINIA; Nestle Rossiya; Nextons; Novo Nordisk A/S; NOYTECH Logistics Rus; Palladio-BNM; Pepeliaev Group; Perfetti Van Melle; Peugeot Citroën Rus (Groupe PSA); Philips; Porsche Russland; Procter & Gamble; Reckitt Benckiser RB Hygiene; ROCA GROUP; POKBYJL; Saint-Gobain; Sapozhnikov & Partners; SCHNEIDER GROUP; SEAMLESS LEGAL LIMITED (UAE); Servier; Shevyrev and partners, Bureau of attorneys; Siemens Healthcare; Siemens; STADA; Suzuki Motor Rus; Systeme Electric; Technologies of Trust – Consulting; Tenacta; Teva; Thuricum Insurance Company; Top Lubricants; Toyota Motor; TRANSLOGIX; VEGAS LEX; Vlasta-Consulting; Volvo Cars; Yamaha Music; Yusen Logistics Rus; Zentis Russland; Zetta Life

CROSS-SECTORAL COMMITTEES

FINANCE & INVESTMENTS COMMITTEE

CHAIRPERSON

Andrey Zharskiy, Partner, ALRUD Law Firm

ORGANIZED EVENTS

AEB events	Date
Crisis Update: Sanctions and Countermeasures. Update on the US and EU Sanctions Landscape	20.01.2023
Crisis Update: Sanctions and Countermeasures. Presidential and Government Approvals. Regulatory and Practical Developments	14.02.2023
Talks on the Russian Economy. Macroeconomic Scenarios and Forecasts	17.02.2023
Crisis Update: Sanctions and Countermeasures. Update on the Sanctions Landscape	09.03.2023
Crisis Update: Sanctions and Countermeasures. Topical Issues for Foreign Companies in Russia	31.03.2023
Crisis Update: Sanctions and Countermeasures. New in Presidential and Government Approvals	26.04.2023
Conference "M&A Deals in Russia: Through Difficulties to "Completion"" (offline)	23.05.2023
AEB Annual Survey Briefing: Strategies and Prospects for European Companies in Russia	06.06.2022
Crisis Update: Sanctions and Countermeasures. Update on the Sanctions Landscape	05.07.2023

COMMITTEE ACTIVITIES, 2023

In 2023, the Committee focused on providing timely and qualified information support and served as a platform for discussion with regard to sanctions and countermeasures. The Committee held 13 webinars on crisis update, sanctions and countermeasures, macroeconomics and the AEB annual business climate survey; 2 offline events: conference "M&A Deals in Russia: Through Difficulties to 'Completion'" and an open event "Specifics of GR Communication in Belarus"; 1 event in a hybrid format jointly with JBC "Tendencies of Japanese and European businesses in Russia".

The series of crisis update webinars was in high demand among the Association's members. Many topics were in the spotlight: US and EU sanctions, presidential and governmental approvals, macroeconomic scenarios and forecasts, changes in counter-sanctions regulations and practices, interim management and other topical issues for foreign companies in Russia.

The Committee held an M&A conference on May 23, 2023, which was a one-stop event for attendees to get the most up-to-date information on M&A transactions (trends and forecasts for 2023; financial M&A and capital flow issues, M&A documentation, practical and regulatory issues).

In September, jointly with the Japanese Business Club, AEB organized an event "Tendencies of Japanese and European businesses in Russia", where Andrey Zharskiy, Finance and Investments Committee Chairman, made a presentation on foreign investors' property issues (Presidential Decree on external management; Federal Law on property blocking; Federal Law on economically significant organizations).

In October 2023, the Committee launched a series of events on GR communication, the first one was devoted to specifics in Belarus.

The Committee is the organizer of the annual business climate survey conducted by AEB together with GfK-Rus. On June 6, 2023, the results of the survey "Strategies and Prospects of European Companies in Russia" were presented to AEB members. The presentation was followed by a discussion of the survey results by prominent experts – Alexey Dorofeev, GfK Rus, Chris Weafer, Macro-Advisory, Michael Harms, German Committee on Eastern European Economic Relations, and Daniel Russell, The U.S.-Russia Business Council.

Traditionally, the Committee coordinated the preparation of AEB proposals for the Business Ombudsman's annual report.

In 2023, a temporary structure, the AEB Government Subcommission Task Force, was established within AEB (under the Finance and Investment Committee) to address issues related to the Government Subcommission, approval procedures and practices regarding dividend payments and deals. The Task Force brought together members of various AEB Committees, had 7 meetings and prepared a number of letters on the rules and work of the Government Subcommission.

COMMITTEE MEMBERS

Accor Groupe; ADVANT Beiten; ALRUD Law Firm; American Express Bank; Arval; Auto Partners; B1 Group; Bacardi Russia; Bellerage; BNP Paribas Bank; BRAND & PARTNERS; BWG; CAMPARI RUS; Caterpillar Eurasia; Ceramic Solutions Rus; Citibank; Credendo – Ingosstrakh Credit Insurance; Eni s.p.a; EPAM Law Offices; Euler Hermes; Expo Mobility; FCM Leasing; GE Healthcare; GROUPE SEB-VOSTOK; Heel Rus; HeidelbergCement Rus; HEINEKEN BREWERIES; Hotel Management Company (The Carlton); Huntsman-NMG; IBFS united GmbH; ING Wholesale Banking in Russia; Kappa RUS; Kept; Kesarev; Knauf Group CIS (OOO Knauf Gips); Leroy Merlin Russia; Legrand; Marillion; Mars; MB RUS; Mega Service; MOST SERVICE, member of Bruck Consult; Nextons; Novo Nordisk A/S; OTP Bank; Pension solutions, NPF; Pepeliaev Group; Perfetti Van Melle Co., Ltd; Peugeot Citroën Rus (Groupe PSA); PPG Tikkurila Россия; Raiffeisenbank; Reckitt Benckiser Healthcare; Rosbank; Sanofi Russia; Sapozhnikov & Partners; SCHNEIDER GROUP; SERVIER; Tenacta; Thuricum Insurance Company; VEGAS LEX; VISA; Volvo Cars; Yusen Logistics Rus

ORGANIZED EVENTS

AEB events	Date
Crisis Update: Sanctions and Countermeasures. Recent Developments in Countersanctions Regulation and Practice	25.07.2023
Crisis Update: Sanctions and Countermeasures. Interim Management: Implications for Companies and Personnel	18.08.2022
Crisis Update: Sanctions and Countermeasures. New Rules re Economically Significant Organizations and Blocking of Foreign Investors' Property	08.09.2022
Joint event organized by AEB and JBC "Tendencies of Japanese and European businesses in Russia"	22.09.2022
Open event "Specifics of GR Communication in Belarus"	26.10.2022
Crisis Update: Sanctions and Countermeasures. Recent Developments in Countersanctions Regulation and Enforcement Practice	21.12.2022
Crisis Update: Sanctions and Countermeasures. Update on the Sanctions Landscape	26.12.2022

NUMBER OF
COMMITTEE
MEETINGS

7

NUMBER OF
LOBBYING
LETTERS

2



CROSS-SECTORAL COMMITTEES

HUMAN RESOURCES COMMITTEE

CHAIRPERSON

Irina Aksenova, Deputy General Manager, Key Accounts, Coleman Group

ORGANIZED EVENTS

AEB events

	Date
Joint event organized by the AEB Labour Law Subcommittee and the AEB NWRC "Changes to the rules of military registration and conscription"	28.04.2023
Annual HR Conference "Times of anxiety: HR is everything!"	15.03.2023
AEB Labour Law Subcommittee open event "Current trends in legal practices of distant working. Managing distant employees. Legal actions by employers"	06.06.2023
Joint event organized by the AEB Labour Law Subcommittee, IT & Telecom and Compliance & Ethics Committees "Personal data update"	11.10.2023
Joint cross-regional session organized jointly with the AEB Southern Regional Committee and AEB North-Western Regional Committee "HR spotlight of the Russian regions"	12.10.2023
AEB Compensation & Benefits Subcommittee open event "Overview of salary surveys in Russia 2023"	31.10.2023
Open event organized jointly by the Recruitment & Relocation and Labour Law Subcommittees "New reality of Russian business: HR aspects of working in Russia and abroad"	15.11.2023

COMMITTEE ACTIVITIES, 2023

The Committee consists of four Subcommittees:

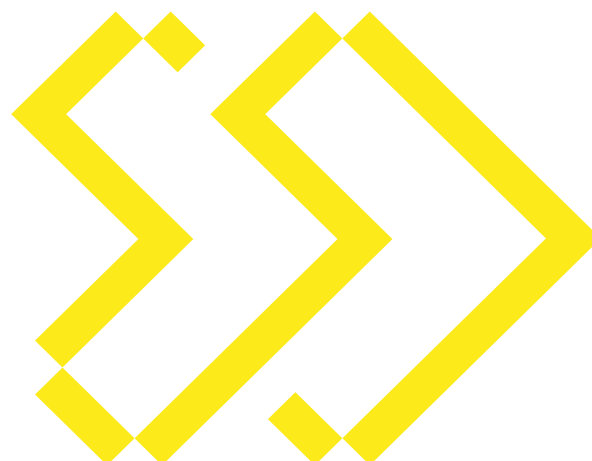
- › the AEB Assessment, Training & Development Subcommittee;
- › the AEB Compensation & Benefits Subcommittee;
- › the AEB Labour Law Subcommittee;
- › the AEB Recruitment & Relocation Subcommittee.

There were two General Committee meetings which took place on March 15 and December 14, 2023. There were 9 events and 12 Subcommittees meetings organized by the HR Committee.

Among all the meetings and events held by the HR Committee, the following events should be mentioned separately:

- › annual HR Conference "Times of anxiety: HR is everything!" It was attended by a special guest – Tatyana Chernigovskaya, Professor, Head of the Department of the Problems of Convergence in Natural Sciences and Humanities, Head of the Institute for Cognitive Studies, St. Petersburg University;
- › a joint cross-regional session organized jointly with the AEB Southern Regional Committee and AEB North-Western Regional Committee "HR spotlight of the Russian regions".

The Committee prepared one of the AEB "Business Quarterly" periodicals that covered HR issues.



COMMITTEE MEMBERS

Accor Groupe; ADVANT Beiten; Ahlers; Air France; ALRUD Law Firm; AstraZeneca Pharmaceuticals; Auchan Russia; Avito; B1 Group; BAYER; BDR Thermea RUS; Bonduelle-Kuban; BOSCH Group; Branch of OMV Russia Upstream GmbH; Brother; Cargill; Center for Creative Leadership; Ceramic Solutions Rus; Chevron Neftegaz Inc. Moscow Branch; Citibank; Coleman Group; Continental Tires RUS; Credit Agricole CIB; Delonghi; Deutsche Bank Ltd.; DHL Express; Euler Hermes; Expo Mobility; GARDIA Insurance Company; HEINEKEN BREWERIES; Honda Motor RUS; HSBC Bank (RR); Huntsman-NMG; Hyundai Motor CIS; ING Wholesale Banking in Russia; Intermark Relocation; ITMS Russia; JTI Russia; Kappa RUS; Kept; Kesarev; LAB Industries; Legrand; Leroy Merlin Russia; Marillion; Melling, Voitishkin & Partners; METRO Cash&Carry; Mitsubishi Electric (Russia); MMC Rus; Morgan Lewis; M.Video; NAVIEN RUS; NPF "Deserving FUTURE"; Orange Business Services; Oriflame; Pepeliaev Group; Peugeot Citroën Rus (Groupe PSA); Philip Morris Sales and Marketing; Reckitt Benckiser Healthcare; POKBYJI; SAIPEM SPA Moscow Representative Office; Sapozhnikov & Partners; SCHNEIDER GROUP; SERVIER; Shell Exploration and Production Services (RF) B.V.; Signify Eurasia; The International School of Moscow; TotalEnergies EP Russie, Representative office in Moscow; Vendor Green Rus; VISA

ORGANIZED EVENTS**AEB events**

	Date
AEB Assessment, Training & Development Subcommittee open event "Assessment and development of employees through the prism of generations up to 2030"	28.11.2023
AEB Labour Law Subcommittee open event "Military registration for employers: rules and current practices"	13.12.2023

NUMBER OF
COMMITTEE
MEETINGS

12

CROSS-SECTORAL COMMITTEES**INTELLECTUAL PROPERTY
COMMITTEE****COMMITTEE
ACTIVITIES, 2023**

On May 11, 2023 within the framework of the XI St. Petersburg International Legal Forum, the Committee organized its round table "When a well-known trademark defines a product: problems and solutions".

The participants of the session discussed the global and Russian practice of applying a well-known trademark and the prospects for the development of the Russian system for the protection of well-known trademarks.

CHAIRPERSON

Anton Bankovskiy, Partner, SEAMLESS LEGAL LIMITED (UAE)

DEPUTY CHAIRPERSONS

Pavel Sadovsky, Partner, EPAM Law Offices

NUMBER OF
COMMITTEE
MEETINGS

4

NUMBER OF
LOBBYING
LETTERS

2

ORGANIZED EVENTS

AEB event

Meeting of AEB representatives with Rospatent and the Eurasian Patent Office (jointly with the Health and Pharmaceuticals Committee)

Date

26.05.2023

Annual IPR Conference “Intellectual property: development trends, judicial practice, problems and solutions”

31.05.2023

AEB external event

AEB round table “When a well-known trademark defines a product: problems and solutions” within the framework of the St. Petersburg International Legal Forum

Date

11.05.2023

On May 26, 2023 the Committee organized a meeting with Yury Zubov, Head of the Federal Service for Intellectual Property, and Grigory Ivliev, President of the Eurasian Patent Office. The meeting was attended by representatives of the AEB Intellectual Property Committee and the AEB Health and Pharmaceuticals Committee. At the meeting the participants discussed the issues of intellectual property, including European right holders, protection of intellectual property rights of pharmaceutical manufacturers and prospects of cooperation.

On May 31, 2023 the Committee organized an annual conference “Intellectual property: development trends, judicial practice, problems and solutions”. The conference focused on key issues in the field of intellectual property in Russia and the EAEU, including an overview of legislative improvements, established practices in the application of regulations, judicial practice, as well as more detailed information and analysis provided by speakers from the Eurasian Economic Union, the Intellectual Property Court, EAPO, FAS, Rospatent, RSPP and law firms (ADVANT Beiten, ALRUD, SEAMLESS LEGAL, Nextons, Melling Voitishkin & Partners, Lidings, Denuo, EPAM Law).

COMMITTEE MEMBERS

ADVANT Beiten; AGR; AliExpress Россия; ALRUD Law Firm; Arno Legal; ALUMNI Partners; AstraZeneca Pharmaceuticals; B1 Group; BASF; BAYER; Beiersdorf; BMW Russland Trading; Continental Tires RUS; Corteva Agriscience Rus; Credit Agricole CIB; Delonghi; Denuo; EPAM Law Offices; Kesarev; Kia Russia & CIS; Leroy Merlin Russia; L’Oreal; Marillion; MB RUS; Melling, Voitishkin & Partners; Merck; METRO Cash&Carry; Morgan Lewis; M.Video; Nextons; Nextons St. Petersburg; Novartis Group Russia; Pepeliaev Group; Philip Morris Sales and Marketing; Philips; Procter & Gamble; Reckitt Benckiser (RB Hygiene); Sanofi Russia; Sapozhnikov & Partners; SCHNEIDER GROUP; SEAMLESS LEGAL LIMITED (UAE); SERVIER; Shevyrev and partners, Bureau of attorneys; STADA; Syngenta; Systeme Electric; Tenacta; Teva; TKM; Trading House; VEGAS LEX; Vlasta-Consulting

CROSS-SECTORAL COMMITTEES



LEGAL COMMITTEE

CHAIRPERSON

Anna Klimova-Zemlyanskaya, Head of Legal, Compliance and Data Privacy, Russia and CIS, Merck

ORGANIZED EVENTS

AEB event

Briefing by Maxim Shaskolsky, Head of the Federal Antimonopoly Service

Date

03.10.2023

COMMITTEE ACTIVITIES, 2023

The main topics of the Committee agenda in 2023 were as follows:

- › review of judicial practice of applying provisions on the occurrence of force majeure circumstances in connection with the imposition of sanctions;

- › experience of interaction with EU export control authorities under the current sanctions regime;
- › FAS Expert Council on the application of the law on advertisement;
- › current trends in EU sanctions regulation: what to expect?
- › New MBO approval requirements and practices at the Government Commission: new requirements for favorable approval of MBO transactions after December 2022; impressions and challenges of MBO approvals at the Government Commission;
- › changes to the law on state language impacting business;
- › new approaches of Roskomnadzor and practice after changes in the law on personal data;
- › the Fifth Antitrust Package;
- › the draft law “On specifics of corporate relations regulation in economically significant organizations”;
- › ban on registration on Russian services from foreign e-mail addresses;
- › update on online advertisement regulation: clarifications from FAS and application in practice;
- › FAS advertising compliance guidance: new format or new content?
- › High Court on recent consumer protection cases: an update.

On October 3, 2023 the Committee organized a briefing with Maxim Shaskolsky, Head of the Federal Antimonopoly Service. The briefing covered such topics as legal regulation, government procurement, trade regulation, control of financial markets, issues of compulsory licensing and parallel imports, unfair competition and advertising, and international cooperation.

COMMITTEE MEMBERS

ADVANT Beiten; Advocates Bureau Yug; AGR; Ahlers; Akzo Nobel Coatings; AliExpress Россия; ALRUD Law Firm; AstraZeneca Pharmaceuticals; Auchan Russia; B1 Group; Barry Callebaut; BASF; BMW Russland Trading; BRAND & PARTNERS; BWG; Carnelutti Russia Law Firm; Caterpillar Eurasia; Center for Creative Leadership; Denuo; Eni s.p.a.; EPAM Law Offices; Expo Mobility; Ferrero Russia; GROUPE SEB-VOSTOK; H&N; HeidelbergCement Rus; HSBC Bank (RR); Huntsman-NMG; JURALINK; Karl Storz; Kept; Kesarev; Kia Russia & CIS; Komatsu CIS; LAB Industries; Law Company TAXOLOGY; Legrand; Lidings Law Offices, Moscow; L’Oreal; Marillion; maslov:agency; MB RUS; Melling, Voitishkin & Partners; Merck; METRO Cash&Carry; Mitsubishi Electric (Russia); MOL-Russ; Morgan Lewis; Multon Partners; M.Video; Nestle Rossiya; New Fashion; Nextons; Novartis Group Russia; Orange Business Services; Pension solutions, NPF; Pepeliaev Group; Peugeot Citroën Rus (Groupe PSA); Philip Morris Sales and Marketing; Procter & Gamble; RB Life Insurance; Reckitt Benckiser (RB Hygiene); Reckitt Benckiser Healthcare; SANOFI Russia; Sapozhnikov & Partners; SCHNEIDER GROUP; SEAMLESS LEGAL LIMITED (UAE); Seldico; SERVIER; Shell Exploration and Production Services (RF) B.V.; Shevyrev and partners, Bureau of attorneys; Syngenta; Tenacta; Teva; Thuricum Insurance Company; Tinkoff Insurance; Trading House; VEGAS LEX; VISA; Volvo Cars

NUMBER OF
COMMITTEE
MEETINGS

5

NUMBER OF
LOBBYING
LETTERS

4



CROSS-SECTORAL COMMITTEES

MIGRATION COMMITTEE

CHAIRPERSON

Ludmila Shiryayeva, GR Director, Tax & Law, B1

DEPUTY CHAIRPERSONS

Alexey Filipenkov, Partner, Visa Delight
 Andrey Slepov, Partner, ADVANT Beiten
 Kazbek Sasiev, Associate, Nextons

ORGANIZED EVENTS

AEB event

Annual Migration Conference

Date

06.12.2023

AEB external events

Ekaterina Kazmina, Deputy Director of the Department of Special Programs and Projects, Ministry of Economic Development, re: investors' residence permit criteria

Date

02.02.2023

Sergey Nosov, Deputy Head of Migration Department of the Ministry of Internal Affairs in Moscow Region, re: document submission based on POA

13.02.2023

Amalia Safarova, Deputy Head of Department of Strategic Development and Innovation, Ministry of Economic Development, a series of online meetings re: secondment structure in relation to a draft employment law

16-17.02.2023

Dmitry Volvach, Deputy Minister of Economic Development, re: medical checks to be passed once in a 3-year period for HQS family members

05.04.2023

Dmitry Volvach, Deputy Minister of Economic Development, re: criteria for investors and confirmation documents for residence permit

11.04.2023

COMMITTEE ACTIVITIES, 2023

The outcomes of the Committee activities on migration issues are as follows:

- › ongoing work to maintain the HQS category with the current benefits and advantages in the new migration concept; the Committee submitted a number of proposals to the draft law, which was postponed for consideration till the end of 2024;
- › changes that were made to procedures and current legislation:
 - HQS and their family members now undergo a medical examination every 3 years when renewing the work permit;
 - the list of medical examinations for minor HQS family members has been reduced;
 - now to extend the work permit, it is possible to submit medical documents not only within 30 days of the decision taken by the Ministry of Internal Affairs, but also within 30 days of entry to the Russian Federation;
 - the criteria for obtaining a "golden visa" for investors in the Russian economy have been defined together with the Ministry of Economic Development. The law provides for the issuance of a residence permit not only to a foreign citizen who has made an investment, but also to members of his family (spouses, children, children's spouses, parents, parents' spouses, grandparents, grandchildren). Such a residence permit is issued without obtaining a temporary residence permit first.

The Committee drafted letters:

- › to the Ministry of Internal Affairs and Ministry of Economic Development on amendments to the Federal Law No. 115-FZ of 25 July 2002 (HQS family members can undergo a medical examination every 3 years when renewing the work permit (3 letters));
- › to the Government of the Russian Federation on barriers arising in respect of foreign investors and highly qualified specialists in the Russian Federation;
- › to RSPD on proposals to liberalize migration legislation;
- › to the Ministry of Economic Development on liberalization of migration law with regard to fines for migration law violation;
- › to the Ministry of Internal Affairs on the problem with online registration at www.mos.ru;
- › to the Ministry of Internal Affairs on AEB members' proposals following the AEB migration conference.

On 6 December, the Committee organized a migration conference. It was attended by representatives of the Ministry of Internal Affairs. The keynote speech was delivered by the Valentina Kazakova, Head of General Directorate for Migration Issues of the Ministry of Internal Affairs of Russia. Then the questions of AEB members were answered by high-ranking officials of the migration service of the Ministry responsible for Moscow and Moscow region.

NUMBER OF
COMMITTEE
MEETINGS

4

NUMBER OF
LOBBYING
LETTERS

7

ORGANIZED EVENTS

AEB external events

Marina Moskvina, Managing Director of the Department for Labor Market and Social Partnership, RSPP & Russian Government Working Group on Labor and Social Sphere, re: employment of HQS and qualified foreign workers

Date

15.09.2023

Arsen Ayupov, President of the Russia-Turkey Dialogue (RTD), re: cooperation with RTD and AEB on migration and other issues

14.11.2023

COMMIITTEE MEMBERS

ADVANT Beiten; AGR; Alfa Laval Potok; ALRUD Law Firm; B1 Group; Bellerage; BWG; CAMPARI RUS; Canelutti Russia Law Firm; Caterpillar Eurasia; Center for Creative Leadership; Chevron Neftegaz Inc. Moscow Branch; Continental Tires RUS; Credit Agricole CIB; Denuo; Deutsche Bank Ltd.; GE Healthcare; Haval Motor Rus; Honda Motor RUS; Hotel Management Company (The Carlton); Intermark Relocation; International Tobacco Group; ITMS Russia; JTI Russia; Kept; Kesarev; LAB Industries; Leroy Merlin Russia; Marillion; Mega Service; Melling, Voitishkin & Partners; Metropol Hotel Moscow (LLC "MC "Okhotny Ryad"); MOST SERVICE, member of Bruck Consult; Multon Partners; Nextons; P.R. Rouss (Pernod Ricard Rouss); Pepeliaev Group; Perfetti Van Melle Co., Ltd; Philip Morris Sales and Marketing; Procter & Gamble; Reckitt Benckiser (RB Hygiene); Reckitt Benckiser Healthcare; Roche Diagnostics Rus; Rosbank; SAIPEM SPA Moscow Representative Office; SCHNEIDER GROUP; SEAMLESS LEGAL LIMITED (UAE); Seldico; SERVIER; Shell Exploration and Production Services (RF) B.V.; Swissôtel Krasnye Holmy Moscow; Technology Company Schlumberger; TotalEnergies EP Russie, Representative office in Moscow; UniCredit Bank; Visa Delight; VISA

CROSS-SECTORAL COMMITTEES



PRODUCT CONFORMITY ASSESSMENT COMMITTEE

COMMITTEE ACTIVITIES, 2023

The Committee addressed the following issues:

- › rules of spare parts imports subject to certification (EEC Decision No. 130);
- › a list of products subject to conformity assessment in the Russian Federation (Government Regulation No. 2425);
- › FGIS malfunctioning;
- › certification facilitation when a legal body renaming;

CHAIRPERSON

Alexey Soldatov, Technical Regulation Manager, BSH Bytowije Pribory

DEPUTY CHAIRPERSONS

Vladimir Vysotskiy, CIS Standards & Regulations Manager, Caterpillar Eurasia

ORGANIZED EVENTS

AEB event

Conference "Technical regulation and conformity assessment in the Eurasian Economic Union"

Date

16.11.2023

NUMBER OF COMMITTEE MEETINGS

6

NUMBER OF LOBBYING LETTERS

4

- › national and EAEU technical regulations with regard to the chemical products;
- › status of a foreign manufacturer representative and its registration;
- › problems of the state registration as a mandatory conformity assessment option;
- › sanctions restrictions related to the mandatory conformity assessment;
- › problems related to the factory audits with regard to a serial products certification scheme.

COMMITTEE MEMBERS

Avon Beauty Products Company; BASF; BAYER; Bonduelle-Kuban; BSH Bytowyje Pribory; BWG; CAMPARI; Caterpillar Eurasia; Cementum; Continental Tires RUS; Denuo; Denuo Branch in St.Peterburg; Dow Europe GmbH Representation office; Ferrero Russia; GROUPE SEB-VOSTOK; Hitachi Construction Machinery Eurasia; ITMS Russia; Kaercher; Komatsu CIS; L’Oreal; Merck; Mitsubishi Electric (Russia); Nestle Rossiya; New Fashion; Oriflame; Philip Morris Sales and Marketing; Philips; Procter & Gamble; Reckitt Benckiser (RB Hygiene); POKBYJI; Saint-Gobain; SCHNEIDER GROUP; Systeme Electric; Trading House; VEGAS LEX; Volvo Cars; Yamaha Motor CIS

CROSS-SECTORAL COMMITTEES

PUBLIC RELATIONS & COMMUNICATIONS COMMITTEE

CHAIRPERSON

Marina Tatarskaya, IACC Manager, CIS Region, Ferrero

ORGANIZED EVENTS

AEB event

PR & corporate communications today. Changes, challenges and perspectives

Date

27.07.2023

NUMBER OF COMMITTEE MEETINGS

3

COMMITTEE ACTIVITIES, 2023

The Committee held several topical sessions with guest speakers including:

- › “Crisis communications” with Arina Khodyreva, Vice President for Integrated Communications;
- › “Charity and corporate social responsibility” with representatives of public charity organizations.

On July 27, the Committee held an open event “PR and corporate communications today. Changes, Challenges and Prospects”. Representatives of AEB members acted as speakers and discussed trends and changes in the modern

communications landscape and the adaptation of communication strategies of international companies to the current information agenda, how the role of PR and speakers is changing, PR and communications in the new realities and the structure of the newsroom of communications in response to external constraints.

COMMITTEE MEMBERS

Accor Groupe; ADVANT Beiten; AGR; ALRUD Law Firm; Ararat Park Hotel Moscow; Arval; AstraZeneca Pharmaceuticals; Avon Beauty Products Company; B1 Group; BAYER; Benteler Automotive; BNP Paribas Bank; Boehringer Ingelheim; Bonduelle-Kuban; BOSCH Group; BSH Bytowyje Pribory; BWG; Canelutti Russia Law Firm; Caterpillar Eurasia; Cementum; Chevron Neftegaz Inc. Moscow Branch; Commerzbank (Eurasija); Continental Tires RUS; DHL Express; Dow Europe GmbH Representation office; EPAM Law Offices; Euler Hermes; Evonik; Ferrero Russia; GAZ Group; Gefera Media; H&N; Haval Motor Rus; Hino Motors; Hotel Baltshug Kempinski Moscow; Hyundai Motor CIS; ING Wholesale Banking in Russia; Intermark Relocation; ITMS Russia; Iveco Russia; Kesarev; Legrand; LOTTE RUS; Lundbeck Rus; Macro – Advisory Ltd.; Manpower; Marillion; maslov:agency; Melling, Voitishkin & Partners; Merck; Metropol Hotel Moscow (LLC “MC “Okhotny Ryad”); Mitsubishi Electric (Russia); Morgan Lewis; MOST SERVICE, member of Bruck Consult; Multon Partners; NAVIEN RUS; NAWINIA; Nextons; Novo Nordisk A/S; Orange Business Services; Oriflame; Pepeliaev Group; Philip Morris Sales and Marketing; Philips; PPG Tikkurila Россия; Procter & Gamble; Raiffeisenbank; POKBYЛ; Sapozhnikov & Partners; SCHNEIDER GROUP; SEAMLESS LEGAL LIMITED (UAE); SERVIER; Shell Exploration and Production Services (RF) B.V.; Signify Eurasia; SOGAZ Insurance Group; Subaru Motor; Suzuki Motor Rus; Syngenta; Tablogix; Technologies of Trust – Consulting; VEGAS LEX; WONE Hotels; Zetta Life



COMMITTEE ACTIVITIES, 2023

The AEB Real Estate Committee was founded in 2003 and brings together real estate professionals from a variety of areas including project and facilities managers, consultants, engineering and design companies, financiers, and other service providers.

The Real Estate Committee has always had four primary objectives around which its activities are structured: to facilitate the information exchange regarding real estate, construction and development issues in Russia; to monitor and analyze legal requirements in real estate (current, new, draft); to present business expertise in the field and to be a platform for industrial discussions between AEB and relevant governmental bodies; to increase the attractiveness of Russian real estate market for foreign investors.

DEPUTY CHAIRPERSON

Anton Alekseev, Counsel, EPAM Law Offices

ORGANIZED EVENTS

AEB event	Date
Webinar “Legal and Tax Update in Real Estate”	27.04.2023
Webinar “Commercial Real Estate Lease: Market and Law”	15.06.2023
Webinar “Legal Update in Real Estate”	19.10.2023
AEB external events	Date
“Real estate: Results of 2023 and Perspectives for 2024” (jointly with the Russian-German Chamber of Commerce)	12.12.2023

COMMITTEE MEMBERS

ADVANT Beiten; AERECO S.A. (FRANCE) – r.o. in RF; ALRUD Law Firm; ALUMNI Partners; B1; Bank Credit Suisse (Moscow); Benteler Automotive; Carnelutti Russia Law Firm; Denuo; EPAM Law Offices; Hotel Management Company (The Carlton); Ingka Rus; Intermark Relocation; Italcantieri; Leroy Merlin Russia; Melling, Voitishkin & Partners; NAWINIA; New Fashion; Nextons; Pavia e Ansaldo; Pepeliaev Group; Perfetti Van Melle Co.; Promaco-TIAR; Saint-Gobain; Sapozhnikov & Partners; SCHNEIDER GROUP; Seamless Legal Limited (UAE); Siemens Healthcare; Special economic zone “STUPINO QUADRAT”; Tablogix Holdings; TAXOLOGY Law Company; Technologies of Trust – Consulting; Thuricum Insurance Company; Yusen Logistics Rus

In 2023, the Committee organized several major events:

- › a webinar “Legal and Tax Update in Real Estate”;
- › a webinar “Commercial Real Estate Lease: Market and Law”;
- › a webinar “Legal Update in Real Estate”;
- › a joint offline event with the Russian-German Chamber of Commerce: “Real Estate: Results of 2023 and Perspectives for 2024”.



CROSS-SECTORAL COMMITTEES

SAFETY, HEALTH, ENVIRONMENT & SECURITY COMMITTEE

CHAIRPERSON

Tatyana Borisova, Eastern Cluster HSE Head, Novartis Group Russia

ORGANIZED EVENTS

AEB events	Date
The Role of EHS in ESG and Sustainable Development. Implementation of Best Practices	18.05.2023
Transformation of Occupational Safety and Health: New Approaches, Technologies and Development of Employee Competencies	27.11.2023

COMMITTEE ACTIVITIES, 2023

The Committee’s activities are aimed at creating a favorable psychological climate in companies and maintaining the mental health of employees, as well as individual professional development programs. Trends regarding inclusive hiring and adaptation of employees, and corporate social responsibility projects are becoming more and more widespread. Practical first aid skills are of crucial importance for life and health of personnel in case of emergency situations at production facilities. Particular attention is paid to the analysis and management of occupational safety risks when working at customer sites.

The mission of the Committee is to follow this set of topics in compliance with the principles of sustainable development and safety, to present the best practices and exchange of experience between the leading experts and European companies operating in Russia, to inform AEB member companies about the expected changes in legislation, new initiatives and the latest practices.



Currently, there are 3 Subcommittees within the Committee: on health and safety; on security; on the environment.

In 2023 the Committee organized two major open events:

- › on May 18, the Committee held an open event “The Role of EHS in ESG and Sustainable Development. Implementation of Best Practices”, where the experts discussed ESG trends and shared their vision of the role of occupational health and safety, as well as the environmental protection, in ESG and sustainable development;
- › on November 27, the Committee ran an open event “Transformation of occupational safety and health: new approaches, technologies and development of employee competencies”. The event speakers discussed current frameworks of labor market; culture of the occupational health and safety in organizations; digitalization at workplace in HSE; improvement of qualifications and development of competences of employees in HSE.

In 2023, the Committee prepared one of the issues of the AEB “Business Quarterly” periodicals which covered such topics as: corporate well-being (how companies help employees in 2023); employees with disabilities (employer actions for effective inclusive hiring and adaptation); first aid training in the occupational safety management system; organization of work at customer sites in terms of health and safety; application of an integrated approach in ensuring safety at production facilities and enterprises in general; the essentials of Russian ESG laws and policies.

COMMITTEE MEMBERS

ADVANT Beiten; AERECO S.A. (FRANCE) – Representative Office in Russian Federation; AGR; Akzo Nobel Coatings; ALUMNI Partners; Avon Beauty Products Company; B1 Group; Benteler Automotive; Brother; Cargill; CEMENTUM; CLAAS; Coleman Group; Corporate Counselling Services S.a.r.l; CORTEVA Agriscience Rus; Deutsche Bank Ltd.; DHL Express; Dow Europe GmbH Representation office; Eni s.p.a.; EPAM Law Offices; Euler Hermes; GE Healthcare; Haval Motor Rus; HeidelbergCement Rus; Hino Motors; Hotel Management Company (The Carlton); Ikon Tyres; ITMS Russia; Kappa RUS; Kept; Kesarev; Komatsu CIS; LARTA GLASS; Leroy Merlin Russia; Lidings Law Offices; Manpower; MB RUS; Mega Service; METRO Cash&Carry; Multon Partners; NAWINIA; Nestle Rossiya; Novartis Group Russia; Orange Business Services; P.R. Rouss (Pernod Ricard Rouss); Pepeliaev Group; PepsiCo; Perfetti Van Melle Co.; PPG Tikkurila Россия; Promaco-TIAR; Risk Advisory Group Ltd; Roche Diagnostics Rus; POKВУЛ; Saint-Gobain; Sanofi Russia; SEAMLESS LEGAL LIMITED (UAE); SERVIER; Shell Exploration and Production Services (RF) B.V.; Siemens Healthcare; Signify Eurasia; Syngenta; Technologies of Trust – Consulting; TotalEnergies EP Russie, Representative office in Moscow; Toyota Motor; Volvo Cars; Wienerberger

CROSS-SECTORAL COMMITTEES

SMALL & MEDIUM-SIZED ENTERPRISES COMMITTEE

COMMITTEE ACTIVITIES, 2023

In 2023, the Committee focused on discussing with the authorities the negative consequences for SMEs of the Ministry of Finance’s Order No. 86n, which expanded the list of offshore zones (no insurance premium reduction benefits, moratorium on scheduled inspections, advantages in public procurement, other support measures – for SMEs from blacklisted countries). In particular, the Committee (together with the AEB Taxation Committee) communicated on this issue with the Ministry of Finance and the Ministry of Economic Development, as well as with the Trade and Commerce Department of the EU member states.

CHAIRPERSON

Andreas Bitzi, CEO, quality partners

DEPUTY CHAIRPERSONS

Oksana Bogdanova, Counsel, Law Company TAXOLOGY

Nikita Nikitin, Client Partner, maslov:agency

NUMBER OF
COMMITTEE
MEETINGS

2

NUMBER OF
LOBBYING
LETTERS

1

COMMITTEE MEMBERS

Accor Groupe; ADVANT Beiten; Air France; Auto Partners; B1 Group; Banca Intesa; Bauke van der Meer Tax and Legal Services (CIS) B.V.; BDR Thermea RUS; Bellerage; Benteler Automotive; Brother; Carnelutti Russia Law Firm; Center-invest Bank; Citibank; Coleman Group; Credendo – Ingosstrakh Credit Insurance; DHL Express; DISPAK; EKE-Engineering; Enterprise Singapore; Gefera Media; HERBALIFE NUTRITION; Hino Motors; Intermark Relocation; Italcantieri; JTI Russia; JURALINK; Kesarev; Law Company TAXOLOGY; LIEBHERR-RUSSLAND; Macro – Advisory Ltd.; Marillion; maslov:agency; MB RUS; Moskva – Krasnye Holmy; MOST SERVICE, member of Bruck Consult; NAWINIA; Nextons; Oriflame; Pavia e Ansaldo; Pepeliaev Group; Perfetti Van Melle; Philip Morris Sales and Marketing; Port Hamburg Marketing; quality partners; Raiffeisenbank; SAF-Holland Rus; Sapozhnikov & Partners; SCHNEIDER GROUP; SEAMLESS LEGAL LIMITED (UAE); Special economic zone “STUPINO QUADRAT”; Tablogix Holdings; The International School of Moscow; Toyota Motor; Vlasta-Consulting; Welcome Abroad Relocations; Yusen Logistics Rus; Zentis Russland; Zetta Life

CROSS-SECTORAL COMMITTEES

TAXATION COMMITTEE

CHAIRPERSON

Nina Goulis, Partner, Kept

DEPUTY CHAIRPERSONS

Ksenia Litvinova, Partner, Pepeliaev Group

Alexey Lyudvik, Chief Accountant, AGR

ORGANIZED EVENTS

AEB events

AEB events	Date
Mid-year event “Tax Conference. Trends and Prospects”	06.07.2023
Webinar “Key Updates in Taxation: DTA Suspension, Expansion of MinFin “Blacklist”, Windfall Tax”	31.08.2023
Annual Tax Conference “Tax Results of the Year. Dialogues on What Matters”	30.11.2023

COMMITTEE ACTIVITIES, 2023

In 2023 the Taxation Committee held:

- › 15 Committee meetings (among them 10 regular Committee meetings, 3 extraordinary Committee meetings and 2 Taxation Committees’ informal meetings jointly with AHK, CCIFR, AmCham and Confindustria);
- › 40 Working Groups’ meetings;
- › 3 open events, covering such topics as trends in the development of tax legislation, tax administration practice, DTA suspension, expansion of MinFin “blacklist”, windfall tax, cross-border transactions, transfer pricing, EU “blacklist”, key court cases on taxation matters, tax crimes and other issues.

The Committee continued operating through general Committee activities, as well as via its sub-structures – Working Groups (WG), namely: WG on digitalization, WG on domestic operations, WG on international operations, WG on tax administration and control, and WG on tax monitoring.

The Committee had the following GR meetings: two meetings on DTA suspension with the Deputy Minister of Finance, Alexey Sazanov, and two meetings with the Inter-Regional Inspectorate for Largest Taxpayers No. 1 at the Federal Tax Service of Russia on issues related to the Single Tax Account (STA/EHC) and on tax monitoring issues (jointly with AHK).

NUMBER OF COMMITTEE MEETINGS

15

NUMBER OF LOBBYING LETTERS

31

On December 13, 2023, at the AEB initiative, the RF Federal Tax Service held a meeting of its Advisory Council on Taxation of Foreign Investors and Commercial Organizations with Foreign Investment (chaired by Daniil Egorov, Head of the Federal Tax Service, and Julia Shepeleva, Deputy Head of the Federal Tax Service) to discuss issues related to the windfall tax, tax monitoring and control, DTA suspension and transfer pricing.

In 2023, the Committee cooperated with the following major chambers and associations: RSPP, Business Ombudsman Office, AHK, CCIFR, AmCham, and Confindustria and prepared joint positions on several issues and held a number of joint calls/meetings (tax administration and control, transfer of tax audit materials to law enforcement authorities, tax monitoring, DTA suspension and others).

Likewise, the Committee cooperated with several AEB Committees: Customs and Transport Committee, Seed Committee, Health and Pharmaceuticals Committee, Hotels and Tourism Committee, SME Committee, and Government Subcommission Task Force.

Nina Goulis, Taxation Committee Chair, delivered a presentation on recent tax incentives at the joint event organized by AEB and the Japanese Business Club "Tendencies of Japanese and European businesses in Russia" on September 22, 2023.

ORGANIZED EVENTS

AEB external events

	Date
St. Petersburg International Economic Forum 2023 (Session "Budgetary and Fiscal Policy as Tools to Support the Financial Stability and Socio-Economic Development of Russia's Regions in the New Environment")	15.06.2023
St. Petersburg International Economic Forum 2023 (Session "Concerted Action: Configuring the Tax System Through Feedback")	15.06.2023
Moscow Financial Forum 2023 (Session "New Trends in International Tax Relations in Today's World")	28.09.2023

COMMITTEE MEMBERS

ADVANT Beiten; AGR; Ahlers; Akzo Nobel Coatings; AliExpress Россия; ALRUD Law Firm; Aristo Pharma; AstraZeneca Pharmaceuticals; Auchan Russia; B1 Group; BASF; BAYER; Bellerage; BMW Russland Trading; BNP Paribas Bank; Boehringer Ingelheim; BRAND & PARTNERS; BSH Bytowyje Pribery; BWG; CAMPARI RUS; Cargill; Carl Zeiss; Carnelutti Russia Law Firm; Cementum; Ceramic Solutions Rus; Citibank; CLAAS; Commerzbank (Eurasija); Continental Tires RUS; CORTEVA Agriscience Rus; Credit Agricole CIB; Delonghi; Denuo; Deutsche Bank; DHL Express; EkoNiva-Technika Holding (part of EkoNiva group); EL5-Energo; Eni s.p.a.; EPAM Law Offices; Euler Hermes; FCM Leasing; Ferrero Russia; Haval Motor Rus; Heel Rus; HeidelbergCement Rus; Hino Motors; Honda Motor RUS; HSBC Bank (RR); IBFS united GmbH; IC MANAGEMENT; IHP Appliances Sales; Ikon Tyres, Ltd; INVESTMENT COMPANY IC RUSS-INVEST; Ipsen; ISG support-GUS GmbH; ITMS Russia; Iveco Russia; JTI Russia; JURALINK; Kappa RUS; Kept; Kia Russia & CIS; Knauf Group CIS (OOO Knauf Gips); L'Oreal; LARTA GLASS; Lidings Law Offices, Moscow; M.Video; Macro – Advisory Ltd.; Marillion; Mars; MB RUS; MEF LEGAL; Mega Service; Melling, Voitishkin & Partners; Merck; METRO Cash&Carry; MOL-Russ; Multon Partners; Nestle Rossiya; Nextons; Nextons St. Petersburg; Olson Consulting; Oriflame; OTP Bank; Pepeliaev Group; PepsiCo; Perfetti Van Melle; Peugeot Citroën Rus (Groupe PSA); Philip Morris Sales and Marketing; Philips; Pirelli Tyre Russia; PPG Tikkurila Россия; Procter & Gamble; Promaco-TIAR; Raiffeisenbank; RB Life Insurance; ПОКВУЛ; RP Canon Medical Systems; SAIPEM SPA Moscow Representative Office; Sanofi Russia; Sapozhnikov & Partners; SCHNEIDER GROUP; SEAMLESS LEGAL LIMITED (UAE); Seldico; SERVIER; Shell Exploration and Production Services (RF) B.V.; Siemens; Solvay Vostok; STADA; Systeme Electric; Technologies of Trust – Consulting; Technology Company Schlumberger; Teva; Thuricum Insurance Company; Top Lubricants; TotalEnergies EP Russie, Representative office in Moscow; Toyota Motor; VEGAS LEX; Wienerberger; Yamaha Motor CIS; Yusen Logistics Rus; Zentis Russland



WORKING GROUPS

NON-FOOD FMCG WORKING GROUP

CHAIRPERSON

Nikita Nizkous, Corporate Affairs Director, LAB Industries

WORKING GROUP MEMBERS

Avon; LAB Industries; Herbalife; Reckitt Benckiser; L'Oreal; Oriflame; Procter & Gamble; Unilever; Yves Rocher Vostok

NUMBER OF WORKING GROUP MEETINGS

5

NUMBER OF LOBBYING LETTERS

6

WORKING GROUP ACTIVITIES, 2023

In 2023, WG members participated in discussions and made various lobbying initiatives on both industrial and cross-sectoral issues, including customs rates, the "Russian shelf" proposal and digital labelling. WG members took an active part in various high-level and industry-focused meetings, including with the main regulator, the Ministry of Industry and Trade (Minister Denis Manturov, Deputy Minister Mikhail Yurin and Head of the Chemical Industry Department Artur Smirnov). In close coordination with the relevant AEB Working Groups, the non-food FMCG WG contributed to the development of AEB policy and GR activities on extended producer responsibility and parallel imports.

WORKING GROUPS

TOBACCO PRODUCTS WORKING GROUP

CHAIRPERSON

Oleg Barvin, Head of Legal and External Affairs, ITMS Russia

NUMBER OF WORKING GROUP MEETINGS

4

NUMBER OF LOBBYING LETTERS

6

WORKING GROUP ACTIVITIES, 2023

In 2023, the Working Group's activities aimed at coordinating and presenting to the relevant stakeholders the WG's position and proposals on issues relevant to the industry. WG members monitored and took an active part in the development of all major legislative initiatives of the Russian Government and the

EAEU. On the agenda of the Working Group were such issues as excise tax and minimum price, development of the EAEU technical regulations on nicotine-containing products, research of the market of illegal trade in tobacco products and phytosanitary control of tobacco raw materials.

WORKING GROUP MEMBERS

International Tobacco Group; ITMS Russia; JTI Russia; Philip Morris Sales & Marketing

WORKING GROUPS

WORKING GROUP ON LABELLING AND TRACK & TRACE SYSTEM

WORKING GROUP ACTIVITIES, 2023

On December 19, 2023 the Working Group on Labelling and Track & Trace System held an open meeting with Ilya Kabanov, Head of the Department for Regulation of Electronic Trade and Labelling of Goods, Tariff and Non-tariff Customs Regulation Department, Eurasian Economic Commission, on the topic "Prospects for the development of the labelling institute in the EEC member countries". Mr. Kabanov explained the participants how the decisions to introduce the mandatory labelling in EAEU member countries are implemented, how the EEC expects further development of the mandatory labelling system in the member countries, what progress was made in terms of harmonization of labelling requirements in the member countries. The meeting was moderated by Ekaterina Tchepourina, Chairperson of the WG on Labelling and Track & Trace System. The meeting was opened by Olga Silnitskaya, AEB Deputy CEO and GR Director.

CHAIRPERSON

Ekaterina Tchepourina, Deputy Director, Scientific and Regulatory Affairs – Zone Europe, L’Oreal

ORGANIZED EVENTS

AEB event

WG meeting with Ilya Kabanov, Head of the Department for Regulation of Electronic Trade and Labelling of Goods, Tariff and Non-tariff Customs Regulation Department, Eurasian Economic Commission

Date

19.12.2023

NUMBER OF
WORKING GROUP
MEETINGS

4

WORKING GROUP MEMBERS

AGR; AliExpress Россия; AstraZeneca Pharmaceuticals; Auchan Russia; Avon Beauty Products Company; B1 Group; Bacardi Russia; Bridgestone CIS; Chiesi Pharmaceuticals; CLAAS; DHL Express; DSM; EPAM Law Offices; GlaxoSmithKline Healthcare; H&N; HERBALIFE NUTRITION; Honda Motor RUS; International Tobacco Group; ITMS Russia; JTI Russia; L’Oreal; LEROY MERLIN Russia; Mazda Motor Rus; MB RUS; Merck; METRO Cash&Carry; Mitsubishi Electric (Russia); MMC Rus; MOST SERVICE, member of Bruck Consult; NAWINIA; Nestle Rossiya; New Fashion; Novartis Group Russia; Oriflame; Peugeot Citroën Rus (Groupe PSA); Philip Morris Sales and Marketing; Philips; Pirelli Tyre Russia; Procter & Gamble; Promaco-TIAR; quality partners; Reckitt Benckiser (RB Hygiene); Reckitt Benckiser Healthcare; ROCA GROUP; RP Canon Medical Systems; SEAMLESS LEGAL LIMITED (UAE); Vlasta-Consulting; Yamaha Motor CIS; Yusen Logistics Rus

WORKING GROUPS

WORKING GROUP ON THE REGULATION OF CHEMICAL PRODUCTS

CHAIRPERSON

Irina Kartashova, Director for Technical Regulation and External Relations, Procter & Gamble

DEPUTY CHAIRPERSONS

Tatyana Dvoryakina, Head of Regulatory Affairs, AVON Beauty Products Company

Maria Konovalova, Technical Regulations Senior Specialist, Dow Europe GmbH

Olga Limonchenko, Technical Regulations Specialist, LAB Industries

WORKING GROUP MEMBERS

Akzo Nobel Coatings; Allnex Belgorod; Avon Beauty Products Company; BASF; Bayer; British American Tobacco Russia; Brother; Caterpillar Eurasia; Clariant (RUS); Continental Tires RUS; Dow Europe GmbH Representation office; Evonik; Hempel; LAB Industries; JTI Russia; Kaercher; Knauf Group CIS; Merck; Philip Morris Sales and Marketing; Procter & Gamble; POKBYJ; Shell Exploration and Production Services (RF) B.V.; Tikkurila; Solvay

NUMBER OF WORKING GROUP MEETINGS

4

NUMBER OF LOBBYING LETTERS

8

WORKING GROUP ACTIVITIES, 2023

In 2023, the main activities of the Working Group on the Regulation of Chemical Products were:

- › facilitating the development of second-tier documents for the entry into force of the EAEU TR 041/2017 “On the Safety of Chemicals”;
- › work on Amendment No. 1 to the EAEU TR 041/2017 “On the Safety of Chemicals”;
- › comments to the draft Russian TR “On the Safety of Chemicals” and removal of barriers to doing business that were present in the draft.

WG members prepared an in-depth analysis of draft legislation and AEB’s position was officially posted on www.regulation.gov.ru plus sent to the Ministry of Industry and Trade. WG members prepared a list of questions and took part in an open discussion with the authorities at the Round Table organized by the Ministry of Industry and Trade. Several meetings were held with representatives of the Ministry to discuss important issues. The group also identified the most pressing issues and sent several letters to representatives of the Ministry of Industry and Trade, as well as to the EEC. The Working Group actively participated in the EEC meetings on TR EAEC 041/2017 in 2023.

WORKING GROUPS



WORKING GROUP ON WASTE MANAGEMENT

WORKING GROUP ACTIVITIES, 2023

In 2023, the Working Group on Waste Management carried out more than 45 activities.

The Chairman and Coordinator participated in 15 external meetings (with the Ministry of Industry and Trade, PPK REO), prepared 26 letters and comments or draft laws on new EPR regulation (16 items regarding new acts were developed during 4 months).

AEB had a meeting with V. Abramchenko, Deputy Prime Minister, raised the issue of the new EPR, afterwards we were included in the WG of the Ministry of Industry and Trade and participated in more than 10 working meetings on the planned ban of certain types of plastic packaging from 2024.

The WG organized a round table – an open event with 6 external speakers (including the Ministry of Industry and Trade, PPK REO), the event was attended by more than 80 people.

On May 24, the WG held the first working meeting with the PPK REO (Gusen Ibragimov, Deputy Head of the Extended Producer Responsibility Department of the Russian Environmental Operator). During the meeting such issues as changes in legislation within the framework of EPR reform, as well as the REO trading platform were discussed.

On December 15, AEB management met with Igor Zabalov, Sustainability Director of the Russian Environmental Operator, responsible for the implementation of the EPR reform.

CHAIRPERSON

Pavel Rudyakov

ORGANIZED EVENTS

AEB events

Round table on new EPR legislation

Date

31.10.23

WORKING GROUP MEMBERS

AGR; Akzo Nobel Coatings; Auchan Russia; Avon Beauty Products Company; B1; BAYER; Brother; Cementum; CLAAS; Continental Tires RUS; H&N; ITMS Russia; JTI Russia; Kept; Kesarev; Komatsu CIS; LARTA GLASS; Leroy Merlin Russia; Melling, Voitishkin & Partners; Mitsubishi Electric (Russia); Multon Partners; M.Video; Nestle Rossiya; P.R. Rouss (Pernod Ricard Rouss); Pepeliaev Group; Peugeot Citroën Rus (Groupe PSA); Philip Morris Sales and Marketing; Procter & Gamble; quality partners; POKBYJL; Sapozhnikov & Partners; SCHNEIDER GROUP; SERVIER; Shell Exploration and Production Services (RF) B.V.; TIAR-Center

NUMBER OF
WORKING GROUP
MEETINGS

4

NUMBER OF
LOBBYING
LETTERS

26

REGIONAL COMMITTEES



NORTH-WESTERN REGIONAL COMMITTEE

CHAIRPERSON

Yelena Kiyanova, Manager, Corporate Affairs North Region, Philip Morris Sales and Marketing

DEPUTY CHAIRPERSONS

Andreas Bitzi, Managing Director, quality partners

Elena Novoselova, Head of Regional Development, Coleman Group

Wilhelmina Shavshina, Partner, Head of Customs and International Trade CIS, B1

ORGANIZED EVENTS

AEB events	Date
Meeting with Labor Inspection (HR & Migration SC)	31.01.2023
Annual General Meeting	03.03.2023
Annual Legal & Tax Conference	21.03.2023
Strategic Session	05.04.2023
Military Registration & Conscription	28.04.2023
Annual Meeting with SZTU	18.05.2023
Flagship with EPAM	05.06.2023
Tax Policy in New Conditions	13.07.2023
Practical Aspects of Labor Relations	22.09.2023
HR Spotlights	12.10.2023
Conference "Results of the year 2023"	05.12.2023

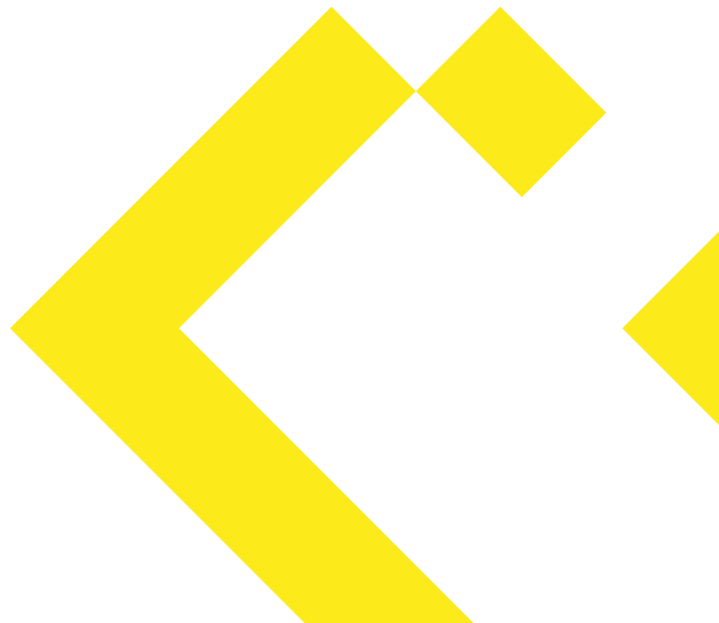
COMMITTEE ACTIVITIES, 2023

The Committee's main goal for 2023 was to improve communication with government entities, allowing members to have better connections and the ability to find help with their issues.

The Committee had 11 open meetings and took part in 10 external events. We held spot meetings with representatives of local government authorities and strengthened relations with Institute of Business Ombudsmen in St.Petersburg and the Leningrad Region.

We have strengthened and developed relationships with other business associations such as: Delovaya Rossiya, NSCV and TPP. In June and December, we held flagship conferences with interesting speakers, uncovered topical issues of companies and held a panel session with government officials.

Last but not least, we have found our uniqueness to be of added benefit to our members – we have actively developed and promoted the theme of corporate volunteering within the Committee.



COMMITTEE MEMBERS

Abloy; ADVANT Beiten; Air France; Akzo Nobel Coating N.V.; Ariston Thermo Rus; Astoria Hotel Complex; B1; Banca Intesa; BASF; Bellerage; BIOCAD; BSH Bytowyje Pribory; BWG; Caterpillar Eurasia; Chubb Insurance Company; Citibank; Coleman Group; Commerzbank (Eurasija); Continental Tires RUS; Credit Agricole CIB; Denuo Branch in St.Petersburg; DHL Express; Dom Suomi; Dow Europe GmbH Representation office; Egorov Puginsky Afanasiev & Partners; EKE-Engineering; GROUPE SEB-VOSTOK; H&N; HeidelbergCement Rus; Huntsman-NMG; Hyundai Motor CIS; Ikon Tyres (Nokian Tyres Ltd.); ING Wholesale Banking in Russia; Intermark Relocation; International Hotel Investments (Benelux) B.V. (Corinthia Hotel); Italcantieri; ITMS Russia; JTI Russia; JUNGHEINRICH; JURALINK; Kept; Knauf Group CIS; LAB Industries; Legrand; Lenta; LEROY MERLIN Russia; LowLands Accounting Services; Macro – Advisory Ltd.; Manpower; Marillion; Melling, Voitishkin & Partners; Mikenopa Eastern Europe a.s.; MOST SERVICE; NAWINIA; Nextons; Nordic School of Economics in Russia; Novartis Group Russia; Novo Nordisk A/S; OMV Russia Upstream GmbH, Representation office; Pepeliaev Group; Philip Morris Sales & Marketing; Philips; Ponimau; Port Hamburg Marketing; PPG Tikkurila Россия; Procter & Gamble; quality partners; Raiffeisenbank; Rhenus Intermodal Systems; ROCA; POKBYЛ; Rödl & Partner; Rosbank; Saint-Gobain CIS; SAF-NEVA; SATO Rus; SCHNEIDER GROUP; SEAMLESS Legal; Semren & Mansson; Siemens; Smurfit Kappa RUS; SOGAZ Insurance Group; Specta; TIAR-Center; Technologies of Trust – Legal Services; Toyota Motor; Uniper Global Commodities SE; VOLKSWAGEN Group Rus; Wienerberger; WONE Hotels; Yusen Logistics Rus

NUMBER OF
COMMITTEE
MEETINGS

19

NUMBER OF
LOBBYING
LETTERS

1

ORGANIZED EVENTS**AEB external events**

	Date
Joint event with the Consulate General of Norway	24.01.2023
X Nevsky International Environmental Congress	26.05.2023
Federal Customs Service and SZTU meeting with business representatives at the PMI factory	26.06.2023
Discussion on the business development situation in the current realities with the Swiss Consulate at the factory	27.06.2023
Volunteer event “Bamboo in the wind”	15-16.07.2023
Conference on Corporate Volunteering	14.09.2023
BRIEF’23	21.09.2023
Meeting with the committees of the Government of Leningrad region at PMI factory	9.10.2023
Volunteer action “Volunteers of Peterhof”	20.10.2023
Inclusive performance “The Routes” with the participation of disabled people and professional actors	12.12.2023

REGIONAL COMMITTEES



SOUTHERN REGIONAL COMMITTEE

CHAIRPERSON

Oleg Zharko, Corporate Affairs Director, Center South Region, Head of Business Service Center, H&N company

DEPUTY CHAIRPERSON

Lubov Popova, Adviser, Vegas LEX

ORGANIZED EVENTS

AEB events

Round Table "Problems and prospects of expanding trade and economic cooperation between the Republic of Turkey and the Krasnodar Krai"

Date

19.01.2023

Annual General Meeting

30.03.2023

Round Table "Strategy 2023: new accents and priorities in the development of business and the economy of the region"

12.04.2023

HR conference "HR leadership: the driving forces of a successful business"

25.05.2023

Joint interregional session with the AEB HR Committee and the NWRC "HR spotlight of Russian regions: challenges of the labor market in the realities of 2023"

12.10.2023

Meeting dedicated to the SRC 20th anniversary

28.11.2023

AEB external events

Graduation Ceremony of the Business School at the Yuzhny Federal University 2022-2023

Date

26.04.2023

COMMITTEE ACTIVITIES, 2023

In 2023, the Southern Regional Committee continued its purposeful work aimed at preserving the interests of the member companies and bilateral cooperation with regional authorities and other key stakeholders.

The Committee co-organized 3 events under the long-term program "Time for New Strategies" on the topics most relevant to the business community of the South of Russia. The events were attended by top officials of the Krasnodar regional administration, the Consul General and Trade Attaché of the Republic of Turkey, representatives of the business community.

The "Business Schools" project of the 2022-2023 academic year was successfully completed: 65 students and 14 teachers became graduates of the project. In the 2023-2024 academic year, the "Business Schools" project continues in 4 leading universities in the South of Russia, 146 students and 8 teachers participate in the project. The "Business Schools" is a joint project of 13 leading companies in the region, of which 11 are members of the AEB Southern Regional Committee.

On November 28, 2023 a meeting dedicated to the 20th anniversary of the AEB Southern Regional Committee was organized. The event was attended by key officials of the Krasnodar regional administration, heads of regional business associations and leading universities.

COMMITTEE MEMBERS

Advocates Bureau Yug; B1; Banca Intesa; BAYER; Bonduelle-Kuban; Cargill; Center-invest Bank; CLAAS; H&N RUSSIA; Kept; Knauf Group CIS (Knauf Gips); KWS RUS; LARTA GLASS; Legrand; Limagrain RU; Multon Partners; Nestle Rossiya; Philip Morris Sales and Marketing; Philips; Raiffeisenbank; Rosbank; Saatbau; Syngenta; Systeme Electric; Technologies of Trust – Legal Services; UniCredit Bank; VEGAS LEX

NUMBER OF
COMMITTEE
MEETINGS

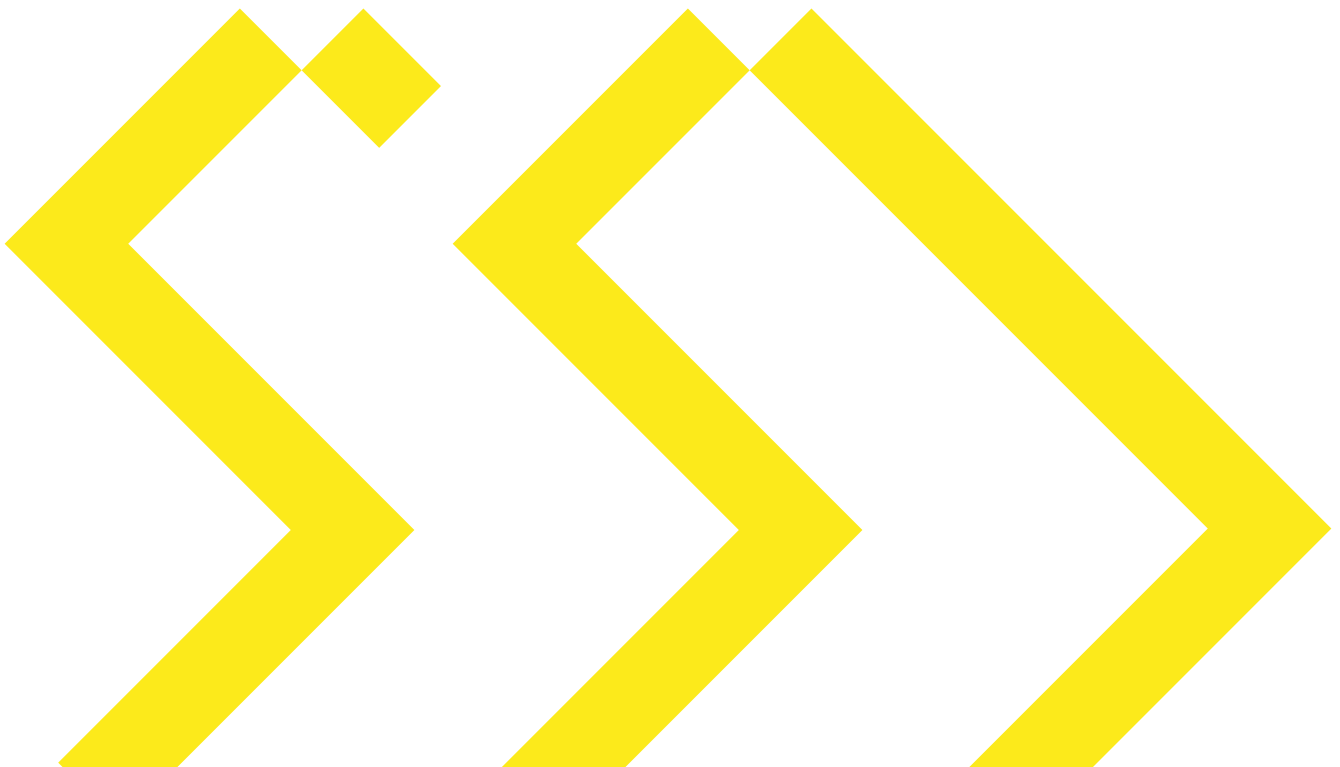
11

NUMBER OF
LOBBYING
LETTERS

5

ORGANIZED EVENTS**AEB external events****Date**

Graduation Ceremony of the Business School at the Kuban State Technological University 2022-2023	28.04.2023
Graduation Ceremony of the Business School at the Kuban State University 2022-2023	17.05.2023
Graduation Ceremony of the Business School at the Kuban State Agrarian University 2022-2023	18.05.2023
Opening ceremony of the Business School at the Kuban State Agrarian University 2023-2024	07.09.2023
Opening ceremony of the Business School at the Yuzhniy Federal University 2023-2024	09.10.2023
Opening ceremony of the Business School at the Kuban State Technological University 2023-2024	10.10.2023
Opening ceremony of the Business School at the Kuban State University 2023-2024	08.11.2023



COMMUNICATIONS, PR AND ANALYTICS



2023 was another challenging year in the history of European business in Russia. Against this backdrop, AEB has done and continues to do its best to stay close to its members and respond to their most urgent requests. We continue to provide companies with real-time, reliable information on the most important events, trends, legislative changes, and try to keep members as informed as possible.

One of the Association's values is that it brings together a huge number of experts and professionals of the highest level from different areas to find responses and solutions. One way to get members' opinions heard is through AEB surveys. In 2023, we conducted more than 15 surveys. The results obtained have helped us understand our members' needs and the state of the business environment. We thank companies for continued participation in AEB surveys.

The Marketing, PR and Analytics Department continues to serve as a reliable compass that helps AEB members to navigate through the Association's activities, keep abreast of all events, initiatives and news. We are open to comments and requests and constantly strive to improve the quality of our services and to provide maximum value and tangible results for our members.

DIGITAL COMMUNICATIONS

AEB DAILY

In 2023, we transformed the Crisis Update newsletter into AEB Daily. The updated product includes sections which cover Russian and foreign media reviews, regulatory developments and sanctions news. The data on AEB Daily clicks show that the morning newsletter is in demand – the open rate is over 30%. In addition, constant requests from our members and not only them to be included in the list of AEB Daily recipients indicate that we are on the right track.

AEB ALERT

It is crucial to respond to new challenges as quickly as possible in order to provide AEB member companies with relevant and timely information. Last year AEB produced 16 AEB Alerts – newsletters which addressed sanctions, migration changes, and other issues directly affecting activities of foreign companies in Russia.

AEB WEEKLY

The first issue of the AEB Weekly was produced in 2019 and since then this newsletter has not only remained relevant, but has also demonstrated increasing interest among readers (with the open rate exceeding 40%). AEB experts have repeatedly taken the opportunity to highlight a pressing issue, invite to an industry event or make an important announcement by means of the AEB Weekly.



AEB Telegram
channel

JOIN US!



MEDIA RELATIONS

MEDIA COVERAGE

In 2023, AEB maintained a modest approach to its media activity. According to Interfax-Scan, the Association was mentioned in the media over 10,000 times, a clear decline from the previous year. In terms of media coverage levels, the picture is as follows: more than 7,000 citations in the federal press; almost 3,000 in regional sources; 160 in foreign media.

AEB has maintained all established media contacts with the federal Russian TV channels, newspapers and news agencies (Interfax, Izvestia, Kommersant, RBC, RIA Novosti, TASS, Vedomosti, etc.); Russian regional media (Yug Times, Delovoy Peterburg, etc.); international media.

PRESS EVENTS

In 2023, AEB held several traditional important press conferences: AEB Automobile Manufacturers Committee's annual press conference "OVERVIEW 2022", as well as the

presentation of an updated press release on the results of passenger cars and light commercial vehicles sales in Russia. In 2023, due to structural changes in the Russian car market, the AEB Automobile Manufacturers Committee added new data to the traditional AEB press releases on car sales, which increased the interest of the automotive community and the media in AEB data.

Presentation of the results of the annual AEB-GfK Rus survey "Strategies and prospects for European companies in Russia" retained the traditionally high level of references in the federal media. A significant increase in press touchpoints for AEB management and member companies took place within the International Moscow Automotive Forum IMAF 2023, including video interviews for the Chinese TV channel CGTN and Russian RBC TV.

Due to the decline in AEB's media activity in 2023, the number of media occasions was significantly reduced, while AEB's monthly car sales statistics remained a key source of data and expert opinion on the market.

ANALYTICS

STATISTICS

For many years, AEB has been very well known for its statistics projects. We have run sales statistics projects for the Automobile Manufacturers Committee, Construction Equipment Committee, Agribusiness Committee and Crop Protection Committee.

SURVEYS

A traditional survey "Strategies and prospects for European companies in Russia" was conducted in 2023. The survey can serve a relative indicator of the business environment perception by companies and summarizes their sentiments and expectations.

The 2023 Member Satisfaction Survey aimed to accumulate companies' opinions evaluating AEB activities over the year and offering meaningful changes.

PUBLICATIONS

In 2023, a series of the AEB "Business Quarterly" periodicals covered the following topics: searching for solutions to current challenges in the area of human resources; safety, health, environment and security; retail trade: responding to the changing landscape; global trade and customs regulation.

The AEB Position Paper was presented in the format of key issues – the most relevant topics that the Association tried to effectively address during the year.

A new flagship publication "Moving towards sustainability" – the first ever AEB publication entirely dedicated to the issues of sustainable development and the green agenda – was produced.

MAJOR EVENTS

AMC ANNUAL PRESS CONFERENCE

On January 12, 2023 the AEB Automobile Manufacturers Committee organized its annual press conference “Overview 2022”. Alexander Liberov, Chairman of the AEB Board, delivered a welcome speech. Alexey Kalitsev, AMC Chairman, presented the results of car sales in 2022, spoke about key challenges the industry faced, and announced the car sales forecast for 2023. During the Q&A session, Alexey Kalitsev and Olga Silnitskaya, AEB Deputy CEO, answered questions about the development of the automotive market in Russia and the Association’s activities.



AEB BUSINESS NETWORKING “WINTER LIGHTS”

On February 16, 2023 a highly anticipated AEB business networking event for member companies “Winter Lights” took place at GOELRO SPACE. Alexander Liberov, AEB Board Chairman, delivered a welcome speech and spoke about the current economic situation. Tadzio Schilling, AEB CEO, provided an overview of the recent AEB activities. He emphasized that the AEB strength came from deep connections with its members. The reception brought together many attendees.



AEB ANNUAL HUMAN RESOURCES CONFERENCE

On March 15, 2023 an annual HR conference “Times of anxiety: HR is everything!” was organized. Professor Tatiana Chernigovskaya, Director of the Institute for Cognitive Studies at the St. Petersburg University, was a distinguished guest. She elaborated on such topics as why brain research is being conducted, how artificial intelligence can help society, and what is now happening to humanity in terms of neurobiology. Especially interesting for HR professionals were reflections on multitasking of employees and ways to maintain and develop healthy brain functioning.



AEB ANNUAL GENERAL MEETING

On April 25, 2023 the AEB Annual General Meeting was organized. It was chaired by Marc Dellaert, Deputy Chairman of the Council of National Representation. The AGM was addressed by keynote speakers – H.E. Roland Galharague, Ambassador of the European Union to the Russian Federation, and Sergey Krasilnikov, Vice President of the Russian Union of Industrialists and Entrepreneurs. Alexander Liberov, AEB Board Chairman, and Tadzio Schillingig, AEB CEO, presented financial and strategy reports. The members approved by the majority of votes all the items of the AGM agenda. Tadzio Schilling was re-elected as AEB CEO.



AEB ANNUAL CONFERENCE ON INTELLECTUAL PROPERTY

On May 31, 2023 a conference "Intellectual property rights: recent trends, court practices, problems and solutions" was organized. It was opened by Philippe Pegorier, AEB Board Deputy Chairman. The conference covered key issues in the area of intellectual property in Russia and the EAEU, including an overview of legislation improvements, established practices in applying regulatory acts, court practices, etc. The speakers represented the Eurasian Economic Union, IPR Court, the Federal Antimonopoly Service, Rospatent, and a number of law firms.



AEB ANNUAL CUSTOMS CONFERENCE

The 17th AEB annual customs conference "Customs and business: developing cooperation in new realities" was organized on June 22, 2023. It covered recent changes in the customs legislation of Russia and EAEU and analysis of the current law enforcement practice. The FCS representatives reported on work to remove bottlenecks in logistics, digitalization of FCS work and current issues of customs regulation. The Ministry of Finance described initiatives on interdepartmental harmonization of the EAEU Customs Code. The Ministry of Economic Development informed about the mechanisms for the formation of a favorable business climate in the field of foreign economic activity.



TALKS ON THE RUSSIAN ECONOMY: THE STRUCTURAL TRANSFORMATION OF THE RUSSIAN ECONOMY

On June 27, 2023 a webinar as part of the “Talks on the Russian economy” series was organized. Tadzio Schilling, AEB CEO, moderated the discussion. The invited experts spoke about the factors affecting the Russian economy in 2023, the situation with import substitution, issues related to the banking and financial sectors, the prospects for economic development under sanctions, as well as the current structure and dynamics of investment.



AEB TAXATION COMMITTEE MID-YEAR CONFERENCE

On July 6, 2023 a traditional mid-year conference “Trends and prospects” was organized. It provided an overview of recent and upcoming changes in Russian tax legislation, as well as issues related to international taxation and cross-border transactions, tax control and administration, developments in court practice. The event was opened by Tadzio Schilling, AEB CEO. High-level officials from the Federal Tax Service participated in the conference.



PRESENTATION OF THE AEB AMC PRESS RELEASE

On July 6, 2023 the AEB Automobile Manufacturers Committee presented an updated press release on the results of sales of passenger cars and light commercial vehicles in Russia. Tadzio Schilling, AEB CEO, moderated the event. Alexey Kalitsev, AMC Chairman, spoke about the changes in the AEB AMC press release and gave an updated forecast for the development of the market in 2023.



AEB NETWORKING EVENT "AUTUMN LEAVES"

On September 6, 2023 AEB organized a networking event "Autumn Leaves" that symbolically launched a new business season. Over 250 guests attended the event: AEB member companies, representatives of the Diplomatic Corps of several EU member states, representatives of the Russian Union of Industrialists and Entrepreneurs, the Chamber of Commerce and Industry of the Russian Federation and so on.



AEB AND JAPANESE BUSINESS CLUB JOINT EVENT

On September 22, 2023 an open event "Tendencies of Japanese and European businesses in Russia" was organized by AEB and the Japanese Business Club. Representatives of European and Japanese companies discussed their current activities in Russia. Tazio Schilling, AEB CEO, presented the results of the AEB annual business survey. Tetsuya Umetsu, JETRO General Director, shared findings of the Japanese Business Club survey conducted in 2023. Kunio Okada, General Secretary, Japanese Business Club, provided data on the number of Japanese companies in Russia.



AEB FLAGSHIP CONFERENCE 2023

On October 25, 2023 AEB held its annual flagship conference "European business in Russia: how to maintain bridges in a world drifting apart?" A welcome speech was delivered by Alexander Liberov, AEB Board Chairman. Among the panelists were high-ranking officials representing the Ministry of Economic Development of Russia, the State Duma Finance Committee, the Ministry of Industry and Trade, the General Prosecutor's Office. Economists and analysts, representatives of European business in Russia discussed future economic scenarios.



SPECIFICS OF GR COMMUNICATIONS IN BELARUS

On October 26, 2023 an open event “Specifics of GR communications in Belarus” was organized at the AEB Conference Centre. Philippe Pegorier, AEB Board Deputy Chairman, welcomed the participants. During the event, speakers and panelists discussed the peculiarities and case studies reflecting the specifics of interaction with government agencies in Belarus. Tadzio Schilling, AEB CEO, made concluding remarks and expressed gratitude to the speakers and participants.



AEB-AMCHAM BUSINESS NETWORKING

On October 31, 2023 AEB in partnership with the American Chamber of Commerce in Russia organized a networking event “Sailing Together” at the Baltshug Kempinski Hotel. Tadzio Schilling, AEB CEO, and Robert Agee, President and CEO of AmCham, welcomed the guests and noted that the joint event of AEB and AmCham had become a good tradition uniting business circles of European and American business communities in Russia. The event was attended by more than two hundred people.



TALKS ON THE RUSSIAN ECONOMY: BRICSONOMICS

On November 21, 2023 another round of the “Talks on the Russian Economy” was held. This time it was dedicated to the economies of the BRICS countries. The event was chaired by Tadzio Schilling, AEB CEO. The participants talked about the share and role of the BRICS countries in the global economy, discussed the possibility of creating a single currency, assessed the results of the BRICS Summit and prospects for the development of the organization.



20TH ANNIVERSARY OF THE AEB SOUTHERN REGIONAL COMMITTEE

On November 28, 2023 a meeting dedicated to the 20th anniversary of the AEB Southern Regional Committee was organized at the CLAAS factory. The official part was opened by Oleg Zharko, Chairman of the AEB Southern Regional Committee. Tadzio Schilling, AEB CEO, welcomed the guests via videoconference. Heads of the Krasnodar region administration, regional business associations, leading universities and media representatives congratulated the participants and wished all the best in the future.



AEB ANNUAL TAX CONFERENCE

On November 30, 2023 an annual tax conference "Tax results of the year. Dialogues on what matters" was organized. The conference was opened by Tadzio Schilling, AEB CEO. Among the participants were representatives from the Ministry of Finance of Russia and the Federal Tax Service. The speakers discussed recent amendments to the Russian tax legislation, issues related to international taxation, transfer pricing and cross-border transactions, tax control and administration, as well as latest trends in court practice development.



AEB ANNUAL MIGRATION CONFERENCE

On December 6, 2023 the 16th AEB annual migration conference "Migration policy: challenges, perspectives, practice" was organized. Tadzio Schilling, AEB CEO, delivered a welcome speech. Representatives of the Ministry of Internal Affairs of Russia, AEB members and conference participants discussed such topics as: migration legislative initiatives and practices; migration policy and investment climate; relocation of foreigners to Russia; obtaining work permits for IT specialists and other issues.



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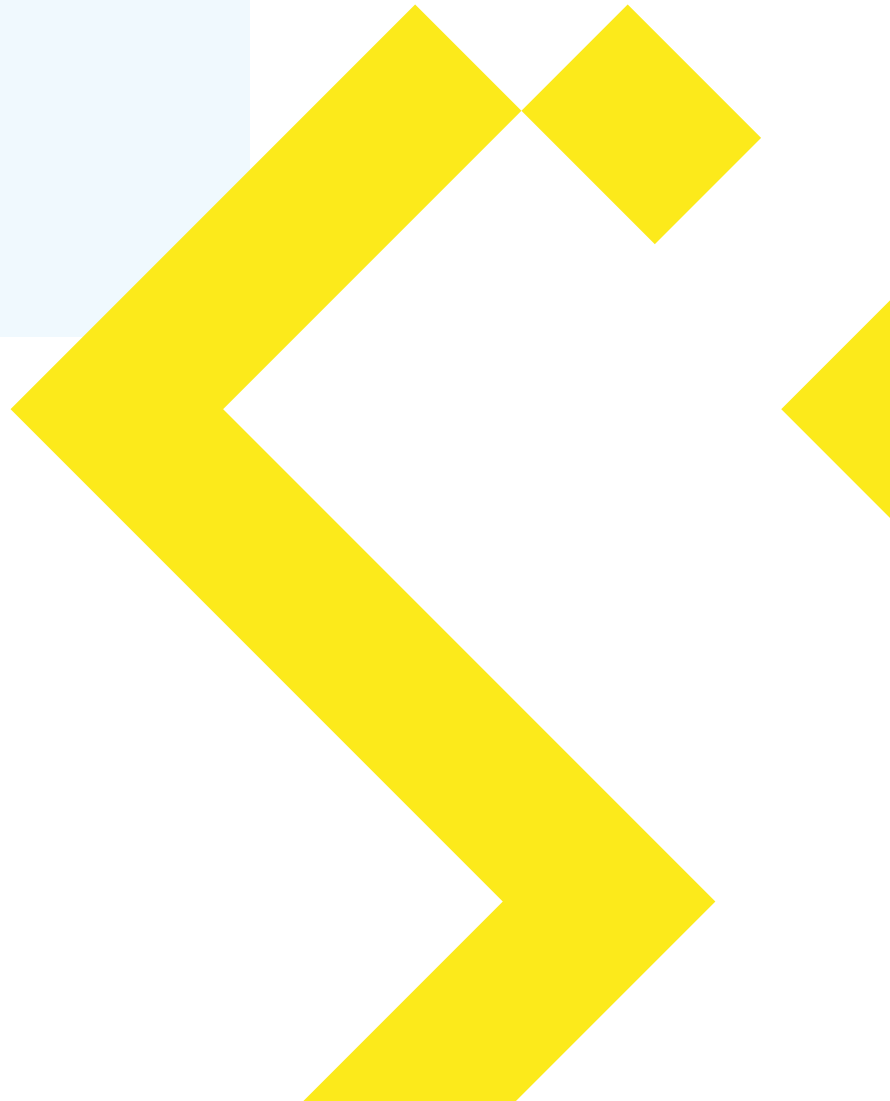
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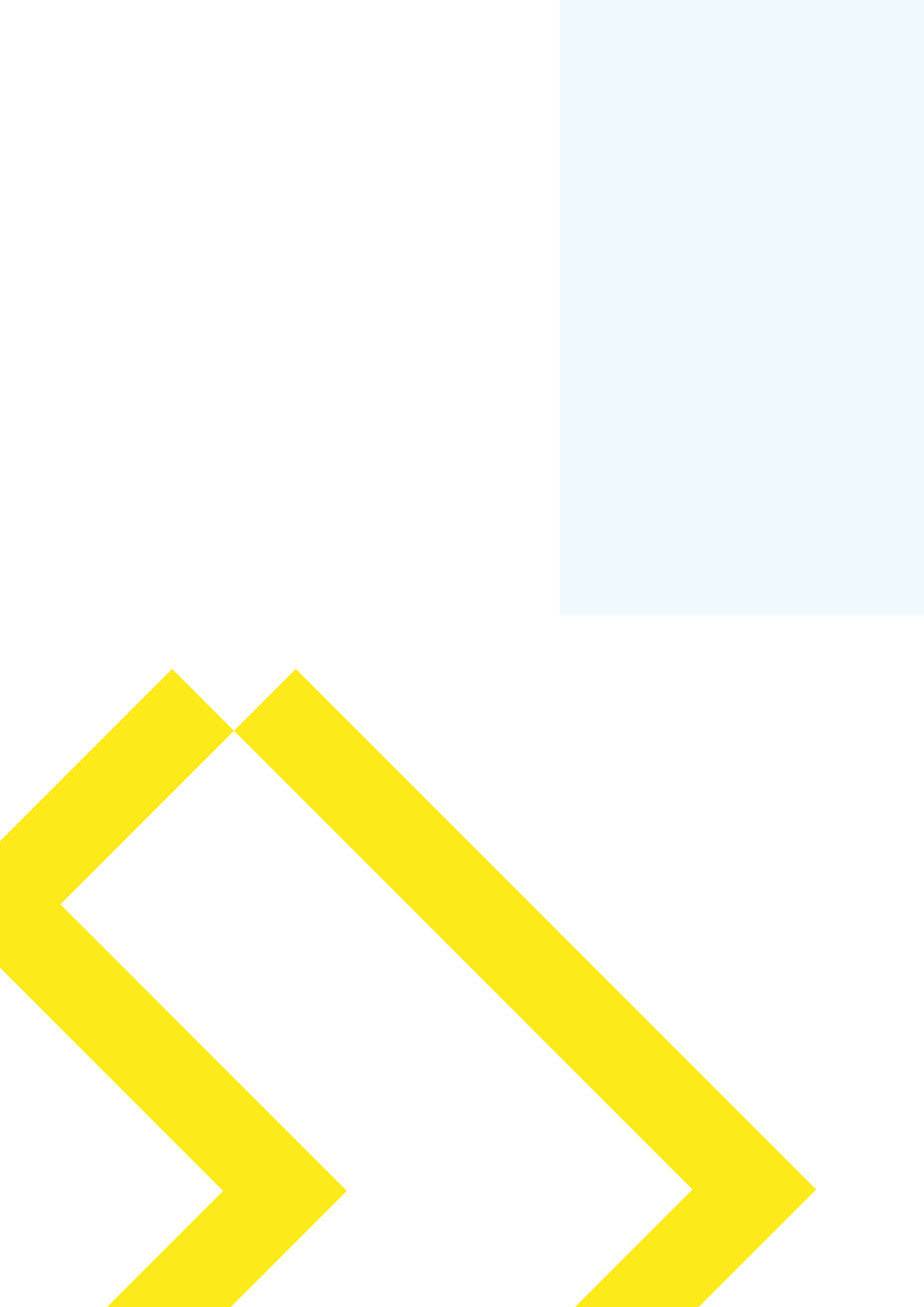
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