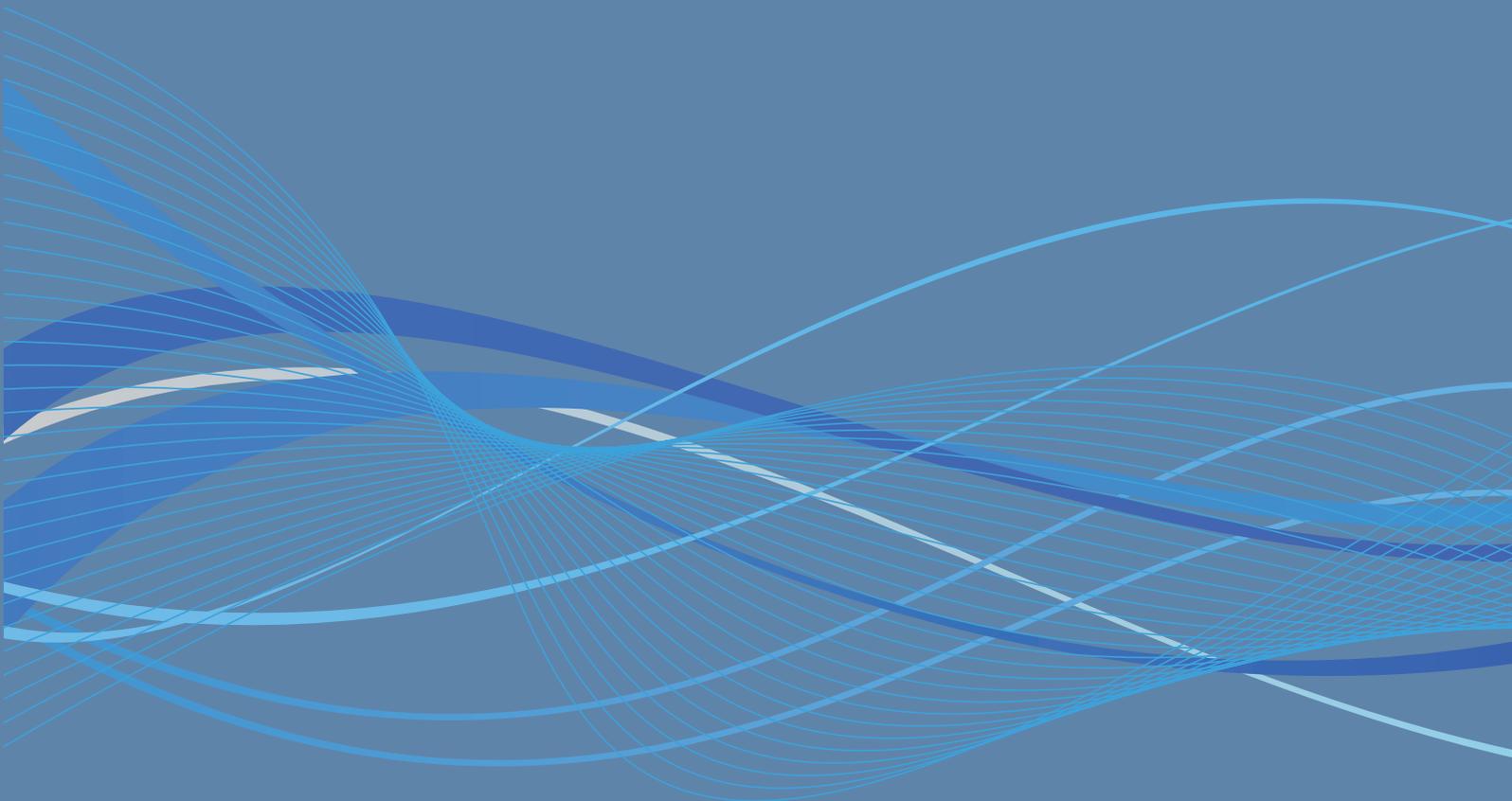




Association
of European
Businesses

ANNUAL REPORT

2019



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Johan Vanderplaetse
Chairman of the Board

DEAR READERS,

We are pleased to share with you the "Annual Report 2019" which encompasses major AEB accomplishments for the last year.

In 2019, the following issues remained on the AEB radar: mandatory labelling of goods and track & trace system, localisation mechanisms and models, waste recycling and extended producer responsibility, consumer protection legislation, technical regulations, trade law and self-regulation, customs, insurance, banking, and taxation.

As part of the lobbying activities, we aimed to represent and promote the interests of member companies through various briefings and high-level meetings with state authorities. In total, the AEB managed to organise over 100 open events, conferences, round tables and receptions in 2019. Traditionally, there was a high rate of AEB representatives participation in significant international forums held in Russia.

We proceeded to interact with the European Union and the Eurasian Economic Union on mutually beneficial fields of cooperation: competition, intellectual property, product conformity assessment, electronic passports.

One of the AEB focus points last year was the Central Asia region. For the first time ever, we undertook a business mission to Uzbekistan. Likewise, we hosted the presentation of the investment potential of Kazakhstan. Hopefully, these endeavors will lay a foundation for broadening of the AEB geographical scope.



Frank Schauff
Chief Executive Officer

The AEB highly appreciates its working relations with the media. We have extensive coverage of the AEB most significant events by the Russian federal and regional information agencies, as well as by international press.

In 2019, we continued to produce AEB regular publications. The "Business Quarterly" magazines covered modernisation & innovations, migration, healthy lifestyle and sustainability issues. Other released publications were: quarterly "Real Estate Monitors", the annual guide "How to invest in Russia", the "Position Paper 2020", the "Annual Report 2018", and the "Report on AEB Lobbying Activities".

We were honoured to present a completely refurbished office to our member companies. The conference halls and lobby space have turned into a comfortable area for productive work, efficient communications and networking.

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 persistent work throughout the past year.

With genuine pleasure we would like to express sincere gratitude to all AEB members for their commitment and continuous support in 2019 and anticipate exciting work in 2020.

THE ASSOCIATION OF EUROPEAN BUSINESSES (AEB)

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

Committees, Subcommittees and Working Groups.

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

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

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

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

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350000 Krasnodar
Tel.: +7 (861) 267 34 13

MEDIA RELATIONS

The number of media requests remained high in 2019. AEB press contacts include federal Russian TV channels, newspapers and information agencies (Kommersant, Vedomosti, RBC, Interfax, TASS, RIA Novosti, Izvestia, 1 Channel, TV Channel Russia 24, TV Channel Russia 2, RBCTV, TV Channel Russia Today, NTV, 5 Channel, Ren-TV, etc.); regional media (in particular, the north-western regional press contacts in St. Petersburg, and agencies from the southern region); international media such as: Associated Press, Bloomberg, BBC, BILD, the Economist, the Financial Times, Deutsche Welle, Die Welt, DWN, El Mundo, El Pais, Euronews, Europa Press, La Tribune, Le Figaro, Le Monde, Les Echos, Handelsblatt, Reuters, RFI.

Press conferences, briefings and meetings

In 2019, the following high-level events were organised: the Automobile Manufacturers Committee Annual Press Conference (14 January); breakfast with Esko Aho, Former Prime Minister of Finland (12 February); briefing by Sergey Lavrov, Minister of Foreign Affairs of Russia (21 February); briefing by Denis Manturov, Minister of Industry and Trade of Russia (11 March); briefing by Igor Artemiev, Head of the Federal Antimonopoly Service of Russia (24 May); meeting with Elvira Nabiullina, Governor of the Central Bank of Russia (7 November); briefing by Alexander Khurudzhi, Public Ombudsman for Protection of Rights of Entrepreneurs in Custody (18 November); briefing by Annette Kyobe, Resident Representative of the International Monetary Fund in Russia (4 December); briefing by Maxim Oreshkin, Minister of Economic Development of Russia (12 December); meeting with Yuri Lyubimov, Deputy Chief of Staff of the Government of Russia (19 December).

Press releases

In 2019, the AEB Marketing, PR and Communications Department issued a number of press releases, including monthly press releases related to sales of new passenger cars and light commercial vehicles in Russia; quarterly press releases on sales of new construction equipment; the results of the annual AEB-GfK Rus survey "Strategies and prospects for European companies in Russia"; messages about AEB lobbying activities, initiatives and briefings.

According to Interfax-SCAN, in 2019 the AEB was mentioned 15,894 times in the media (10,636 quotes – in the federal press; 4,018 – in the regional sources; 1,240 – in the foreign media).

Corporate social responsibility

The AEB bolstered up the Tagansky Children's Fund in 2019. Likewise, the Association rendered informational support to the Rotary Club Moscow International throughout the whole year.

Online activities

2019 was a year of the continued development of the digital interaction channels for AEB business audience.

The AEB introduced a redesigned website and has been constantly upgrading its usability. Moreover, the AEB Weekly as an interactive digest consisting of headlines, highlights of past and upcoming events, new members and lobbying activities was launched in 2019.

We continued to further develop social media channels (Facebook, Twitter, YouTube, Instagram). There was a two-fold increase in the click rate on the AEB website from the official pages on social media, amounting to more than 2,500 people in comparison with 2018. In 2019, the number of followers on Facebook, which is the most interesting social medium in terms of interaction with the target audience, increased by more than 400 people. Average post reach is 1,431 views.

Based on requirements for modern websites, the AEB mobile version adapted to most modern devices was also optimised to operate with search system requirements. It can now offer convenient interaction with personal accounts, publications and information about the company's activities for AEB members, existing and potential partners or media representatives. Analysis has shown that the depth and number of page views of the AEB website increased by 40%. The click rate increased by 29%, and the bounce rate was 16%.

AEB brand presence on Yandex and Google has increased for both the European business audience and the audience of Russia and the CIS. In addition, the advertising campaigns, which had already demonstrated their effectiveness as part of the strategy to increase brand awareness, were launched on Facebook.

Publications

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

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

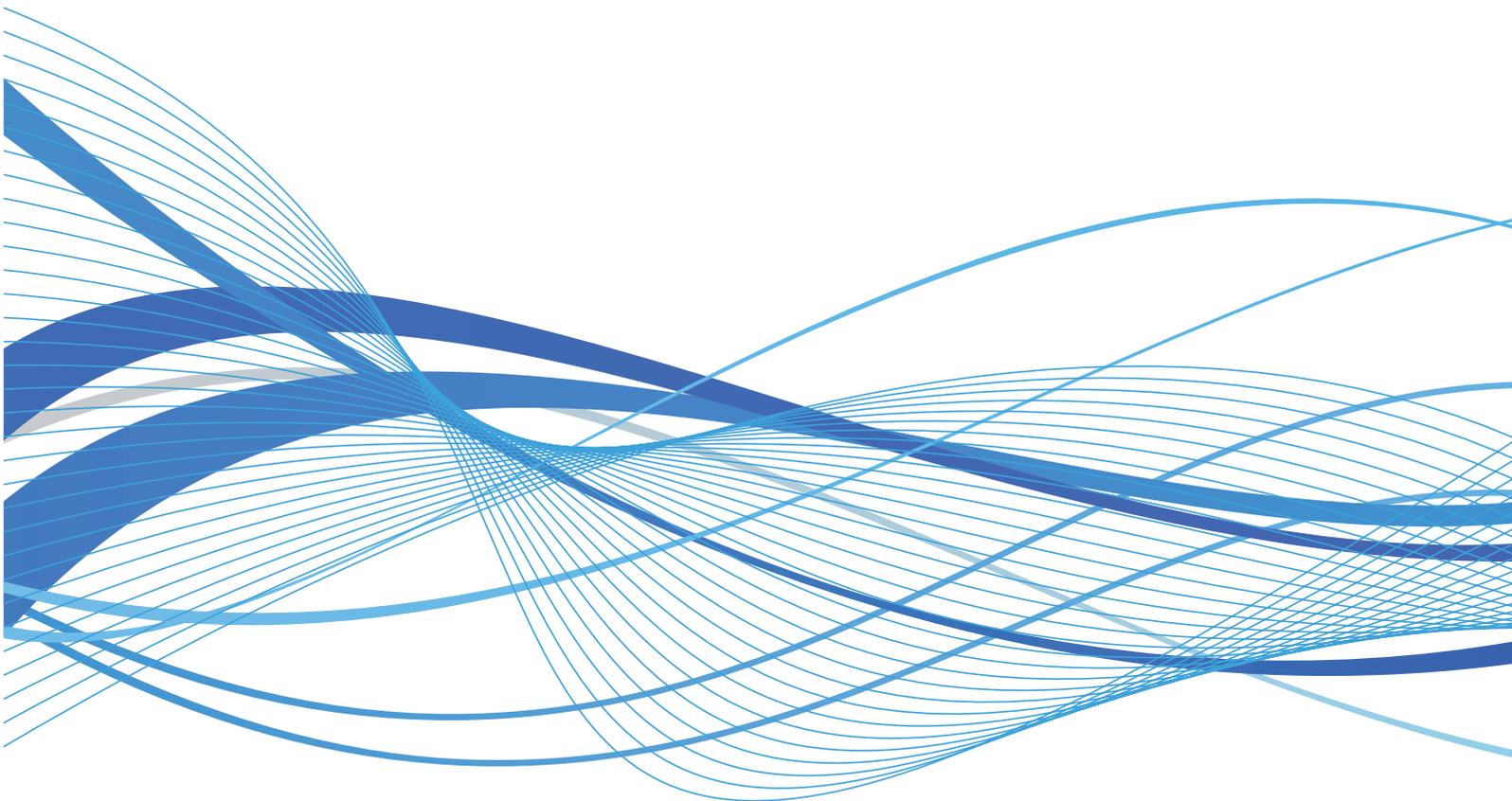
The "How to invest in Russia" annual guide covered localisation and intellectual property topics as well as regional and industry specific aspects of investments.

The "Position Paper" came off the press in late 2019. The edition accumulates precisely articulated issues and sound recommendations elaborated by the AEB Committees and Working Groups to promote the interests of foreign investors' in Russia.

Open events

January–December

2019



Selected AEB events in 2019

- AMC XII Annual Press Conference "REVIEW 2018" **14.01**
- Taxation Committee event "VAT office of a foreign company for e-services starting from 2019 – all flags will be visiting us?" **23.01**
- Annual Strategy Meeting **24.01**
- AEB business mission to Brussels **04-05.02**
- Briefing by Gabriel Di Bella, Resident Representative of the International Monetary Fund in Russia, in St. Petersburg **07.02**
- Breakfast with Esko Aho, Former Prime Minister of Finland **12.02**
- Open event "Nordic business breakfast: the known unknowns – opportunities in uncertain times" in St. Petersburg **12.02**
- Briefing by Sergey Lavrov, Minister of Foreign Affairs of Russia **21.02**
- 5th International Automotive Forum in Tatarstan (TIAF 2019) **26.02**
- Open meeting with Gasan Gasangadzhiev, Head of the Department of Housing and Communal Services, Moscow Government **04.03**
- "Maslenitsa" Spring Cocktail **05.03**
- Briefing by Denis Manturov, Minister of Industry and Trade of Russia **11.03**
- 15th Annual Customs Conference "Customs and business: from cooperation to partnership" **14.03**
- Round table "Russian information structure and European companies" **15.03**
- 6th "Talks on the Russian economy" **18.03**
- Round table on the Russian energy sector, investment climate and activities of European investors **19.03**
- Annual General Meeting of the AEB Southern Regional Committee in Krasnodar **21.03**
- Open meeting "The Damocles sword: sanctions, what to expect next" **21.03**
- Joint event "Health and safety regulation in Russia: experience of European companies" **27.03**
- Open event "Legal changes in the field of real estate" **28.03**
- Annual General Meeting in St. Petersburg **03.04**
- 10th Northern Dimension Forum **04.04**
- Joint AEB and EU Delegation to Russia event "Improving the business environment for SMEs in Russia" **09.04**
- Round table "Localisation of production in St. Petersburg: challenges and opportunities" **12.04**
- Joint AEB and Embassy of Lithuania event for transport and logistics companies **16.04**
- Round table "Key issues and best practices in HSE: experience of European companies in Russia" **23.04**
- Annual General Meeting **24.04**
- XVI AEB Flagship Conference "The Russian economy: what to do or who is to blame?" **21.05**
- Briefing by Igor Artemiev, Head of the Federal Antimonopoly Service of Russia **24.05**
- Presentation of the survey "Strategies and prospects for European companies in Russia" **30.05**
- 11th Annual Conference "HR trends of international companies of the south of Russia" in Krasnodar **30.05**
- Open event "Intellectual property rights: recent trends, court practices, problems and solutions" **31.05**
- Polish EuroReception **04.06**
- Round table "The National Project 'Ecology': opportunities for modernisation of the Russian industry" **18.06**
- IT & Telecom Committee legal update **20.06**
- Spanish EuroReception **25.06**
- Open event "The role and responsibility of businesses, NGOs and media in promoting the UN Sustainable Development Goals and shaping a CSR culture in society" **25.06**
- Presentation of the investment potential of Kazakhstan **27.06**
- Business meeting "Development of the Russian tax system: results of the first half of 2019 and perspectives" **28.06**
- AEB business mission to the Lipetsk region **03-04.07**
- Open event "Presentation of the Moscow Export Centre" **18.07**
- Open event "Moscow as a perspective destination for MICE business" **19-20.08**
- 10th International Moscow Automotive Forum (IMAF) "Automotive industry meets the future: global prospects" **27-28.08**
- Business event (panel discussion, several sessions) in the framework of ComTrans Arena **03.09**
- Open event "SPIC-2: a tool for innovation development and technology transfer?" **11.09**

- Conference "State insurance supervision efficiency in a frame of a new solvency regulation" **13.09**
- Finnish EuroReception **18.09**
- Conference "Technical regulation and conformity assessment in the EAEU and the EU: prospects for approximation" **19.09**
- AEB and EU Delegation open event "Labelling: implementation, challenges, perspectives" **20.09**
- Presentation of the AEB renovated office **24.09**
- "European Real Estate Day 2019" **26.09**
- Round table "HR in technologies and technologies in HR" **02.10**
- Open meeting "Nothing to worry about??? Economy and sanctions" **11.10**
- Open event "E-commerce as a driver of digitalization in Russia: tendencies and regulations" **16.10**
- Open event "Fake news and information wars in international relations and global competition of transnational corporations" **17.10**
- Conference "Practices of implementing sustainable and infrastructure development as a factor of investment attractiveness of the region" **17.10**
- AEB Days in Krasnodar **17-18.10**
- Round table devoted to the machine building market trends in Russia **23.10**
- Lecture by Mark Esposito "At Home, in the Artificial Intelligence Republic" **24.10**
- European business breakfast with the Consulate General of Finland in St. Petersburg and the Finnish-Russian Chamber of Commerce **29.10**
- AEB Third Nordic Breakfast **31.10**
- Open event "Travel security – changing landscape" **31.10**
- Open event "Legal update on personal data" **05.11**
- Meeting with Elvira Nabiullina, Governor of the Central Bank of Russia **07.11**
- Open event "Update on legal issues in real estate" **08.11**
- AEB business mission to Uzbekistan **11-13.11**
- Briefing by Alexander Khurudzhi, Public Ombudsman for Protection of Rights of Entrepreneurs in Custody **18.11**
- Round table with the Japan Business Club Customs Committee and JETRO **21.11**
- Open event "Go digital II: how to use a boom in the field of e-commerce for corporate brand promotion" **25.11**
- Open event "Special economic zones: from A to Z" **26.11**
- AEB Sponsors' Dinner 2019 **27.11**
- Presentation of the investment potential of the Lipetsk region **28.11**
- Meeting with the Investment Team of the Leningrad region government **28.11**
- Briefing by Annette Kyobe, Resident Representative of the International Monetary Fund in Russia **04.12**
- XII Annual Migration Conference "Practice of application of migration legislation" **05.12**
- Conference "Corporate social partnership of business and universities: development of human capital" **06.12**
- Business meeting "Doing business in Russia: success stories of Belgian SMEs" **11.12**
- Briefing by Maxim Oreshkin, Minister of Economic Development of Russia **12.12**
- Annual Conference "Pension reform: in search of stability and clarity" **17.12**
- Annual Conference "Development of the Russian tax system: results of 2019 and prospects" **18.12**
- Meeting with Yury Lyubimov, Deputy Chief of Staff of the Government of Russia **19.12**
- Open meeting "Projects in the field of culture and arts as a tool of corporate and brand communications" **19.12**

14.01: AMC XII ANNUAL PRESS CONFERENCE "REVIEW 2018"



24.01: ANNUAL STRATEGY MEETING



04-05.02: AEB BUSINESS MISSION TO BRUSSELS



12.02: BREAKFAST WITH ESKO AHO, FORMER PRIME MINISTER OF FINLAND



21.02: BRIEFING BY SERGEY LAVROV, MINISTER OF FOREIGN AFFAIRS OF RUSSIA



05.03: "MASLENITSA" SPRING COCKTAIL



11.03: BRIEFING BY DENIS MANTUROV, MINISTER OF INDUSTRY AND TRADE OF RUSSIA



14.03: 15TH ANNUAL CUSTOMS CONFERENCE "CUSTOMS AND BUSINESS: FROM COOPERATION TO PARTNERSHIP"



18.03: 6TH "TALKS ON THE RUSSIAN ECONOMY"



19.03: ROUND TABLE ON THE RUSSIAN ENERGY SECTOR, INVESTMENT CLIMATE AND ACTIVITIES OF EUROPEAN INVESTORS



21.03: ANNUAL GENERAL MEETING IN KRASNODAR



03.04: ANNUAL GENERAL MEETING IN ST. PETERSBURG



04.04: 10TH NORTHERN DIMENSION FORUM



09.04: JOINT AEB AND EU DELEGATION TO RUSSIA EVENT “IMPROVING THE BUSINESS ENVIRONMENT FOR SMEs IN RUSSIA”



12.04: ROUND TABLE “LOCALISATION OF PRODUCTION IN ST. PETERSBURG: CHALLENGES AND OPPORTUNITIES”



16.04: JOINT AEB AND EMBASSY OF LITHUANIA EVENT FOR TRANSPORT AND LOGISTICS COMPANIES



24.04: ANNUAL GENERAL MEETING



21.05: XVI AEB FLAGSHIP CONFERENCE "THE RUSSIAN ECONOMY: WHAT TO DO OR WHO IS TO BLAME?"



24.05: BRIEFING BY IGOR ARTEMIEV, HEAD OF THE FEDERAL ANTIMONOPOLY SERVICE OF RUSSIA



30.05: PRESENTATION OF THE SURVEY "STRATEGIES AND PROSPECTS FOR EUROPEAN COMPANIES IN RUSSIA" AND CASE STUDIES BY COMPANIES



30.05: 11TH ANNUAL CONFERENCE “HR TRENDS OF INTERNATIONAL COMPANIES OF THE SOUTH OF RUSSIA” IN KRASNODAR



31.05: OPEN EVENT “INTELLECTUAL PROPERTY RIGHTS: RECENT TRENDS, COURT PRACTICES, PROBLEMS AND SOLUTIONS”



04.06: POLISH EURORECEPTION



25.06: SPANISH EURORECEPTION



27.06: PRESENTATION OF THE INVESTMENT POTENTIAL OF KAZAKHSTAN



03-04.07: AEB BUSINESS MISSION TO THE LIPETSK REGION



19-20.08: OPEN EVENT "MOSCOW AS A PERSPECTIVE DESTINATION FOR MICE BUSINESS"



11.09: OPEN EVENT "SPIC-2: A TOOL FOR INNOVATION DEVELOPMENT AND TECHNOLOGY TRANSFER?"



18.09: FINNISH EURORECEPTION



20.09: AEB AND EU DELEGATION OPEN EVENT "LABELLING: IMPLEMENTATION, CHALLENGES, PERSPECTIVES"



24.09: PRESENTATION OF THE AEB RENOVATED OFFICE



26.09: "EUROPEAN REAL ESTATE DAY 2019"



17-18.10: AEB DAYS IN KRASNODAR



24.10: LECTURE BY MARK ESPOSITO "AT HOME, IN THE ARTIFICIAL INTELLIGENCE REPUBLIC"



31.10: AEB THIRD NORDIC BREAKFAST



05.11: OPEN EVENT "LEGAL UPDATE ON PERSONAL DATA"



07.11: MEETING WITH ELVIRA NABIULLINA, GOVERNOR OF THE CENTRAL BANK OF RUSSIA



11-13.11: AEB BUSINESS MISSION TO UZBEKISTAN



18.11: BRIEFING BY ALEXANDER KHURUDZHI, PUBLIC OMBUDSMAN FOR PROTECTION OF RIGHTS OF ENTREPRENEURS IN CUSTODY



27.11: AEB SPONSORS' DINNER 2019



28.11: PRESENTATION OF THE INVESTMENT POTENTIAL OF THE LIPETSK REGION



28.11: MEETING WITH THE INVESTMENT TEAM OF THE LENINGRAD REGION GOVERNMENT



04.12: BRIEFING BY ANNETTE KYOBE, RESIDENT REPRESENTATIVE OF THE INTERNATIONAL MONETARY FUND IN RUSSIA



05.12: XII ANNUAL MIGRATION CONFERENCE “PRACTICE OF APPLICATION OF MIGRATION LEGISLATION”



11.12: BUSINESS MEETING "DOING BUSINESS IN RUSSIA: SUCCESS STORIES OF BELGIAN SMEs"



12.12: BRIEFING BY MAXIM ORESHKIN, MINISTER OF ECONOMIC DEVELOPMENT OF RUSSIA



17.12: ANNUAL CONFERENCE "PENSION REFORM: IN SEARCH OF STABILITY AND CLARITY"



18.12: ANNUAL CONFERENCE "DEVELOPMENT OF THE RUSSIAN TAX SYSTEM: RESULTS OF 2019 AND PROSPECTS"

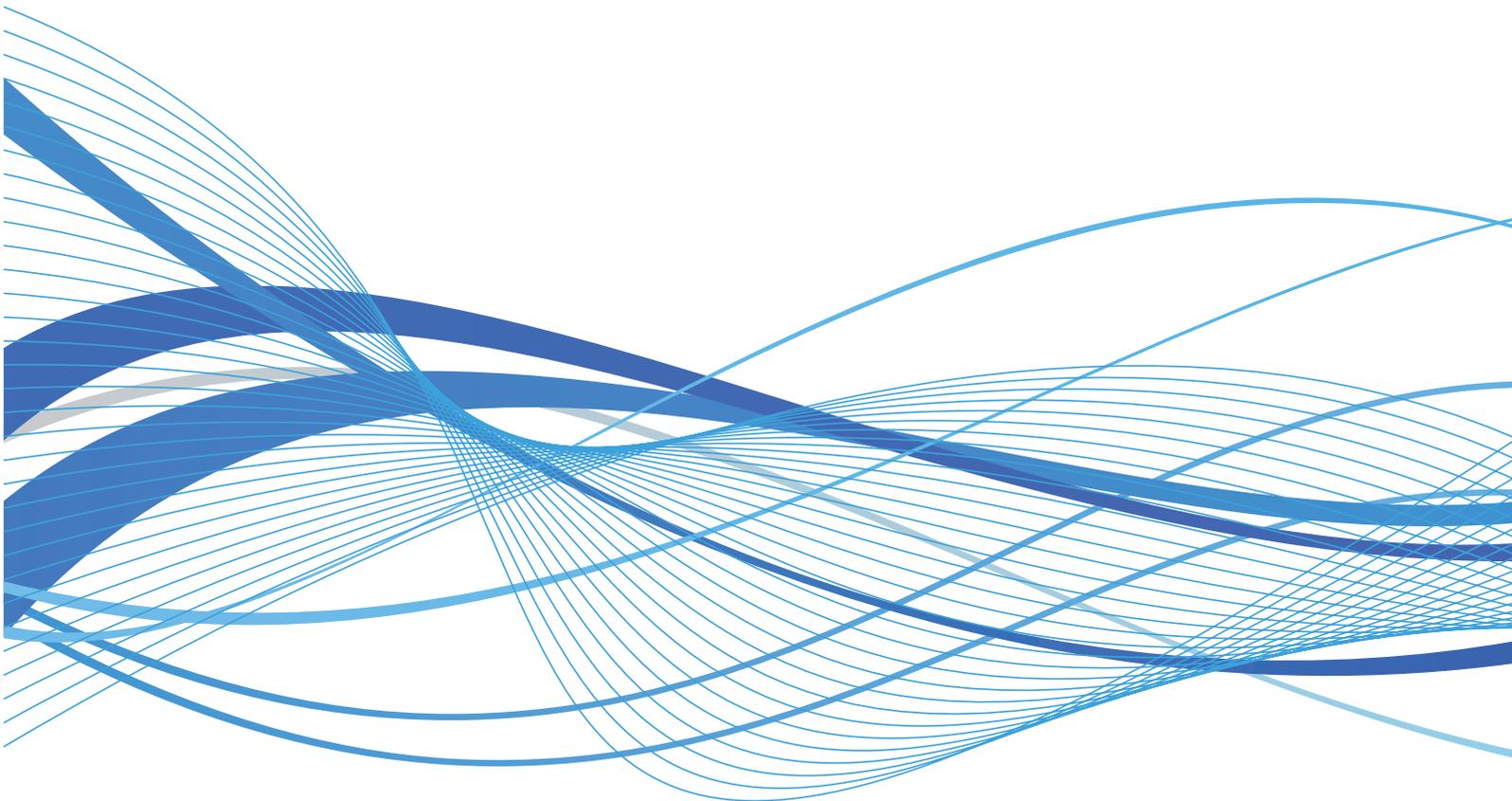


19.12: MEETING WITH YURY LYUBIMOV, DEPUTY CHIEF OF STAFF OF THE GOVERNMENT OF RUSSIA



Committees and Working Groups reports

2019



AGRIBUSINESS COMMITTEE

AIM(S)	To promote the interests of AEB member companies specialising in the agribusiness sector through governmental liaison and lobbying activities.	
CHAIRPERSON	Dirk Seelig , Deputy General Director, Sales Director, CLAAS Vostok	
AEB MEMBER COMPANIES	CLAAS; CNH Industrial LLC; John Deere Rus; Kuhn Vostok.	
NUMBER OF COMMITTEE MEETINGS	4	
	AEB external events	Date
AEB OPEN EVENTS ORGANISED	Meeting with Medvedev D.A., Chairman of the Government, and other high-ranking officials on agricultural safety strategy and localisation	18.01.2019
	Meeting with Morozov A.N. on new localisation rules based on score-based system	23.01.2019
	AEB-VDMA meeting on outcomes of the meeting on localisation with government officials	07.02.2019
	Meeting with Korchevoy E.A., Director of Agricultural Department, Minpromtorg	01.04.2019
	Meeting with Trade Policy Department officials, Ministry of Economic Development	03.04.2019

COMMITTEE ACTIVITIES, 2019

In January 2019, Dmitry Medvedev, Chairman of the Government of the Russian Federation, and Dmitry Kozak, Deputy Chairman of the Government of the Russian Federation, announced a new agricultural safety strategy. For this purpose, the new localisation criteria were developed. The Agribusiness Committee commented on the new localisation criteria based on the score-based system attired to technological operations very actively, and expressed its position to high-ranking officials of the Russian government, Ministry of Industry and Trade, and Ministry of Economic Development.

AIRLINES COMMITTEE

AIM(S)	To represent and lobby interests of international airlines in Russia.
CHAIRPERSON	Eric Louveau , General Manager, Air France-KLM
AEB MEMBER COMPANIES	Air France; Delta; KLM; Royal Air Maroc.
NUMBER OF COMMITTEE MEETINGS	4

COMMITTEE ACTIVITIES, 2019

After the success with lobbying the 0% VAT issue, the Airlines Committee actively engaged in lobbying the different rates of airport charges for Russian and foreign air carriers. The difference in rates has been discriminatory towards the international airlines. For this purpose, Committee members sent letters to three main airports (Sheremetyevo, Domodedovo and Pulkovo), as well as informed the Federal Antimonopoly Service Russia about this issue.

AUTOMOBILE MANUFACTURERS COMMITTEE

AIM(S)	<ul style="list-style-type: none"> • To unite and represent common interests of its members – automobile importers/ manufacturers of global automobile producers, which guide business activities in the Russian Federation (producing in and/or importing). • To create conditions for development of civilised automotive market; set and observe common and fair business rules for automotive companies officially operating in Russia and leverage inter-company cooperation and constructive partnership. • The AMC concentrates on the most important and urgent issues of the automotive business which affect its members, developing appropriate responses, lobbying to ensure that member interests are represented and dealing with the Russian governmental authorities, public institutions, local and international automotive associations and the mass media. 	
CHAIRPERSON	Joerg Schreiber , President and Managing Director, Mazda Motor Rus	
DEPUTY CHAIRPERSON(S)	Lars Himmer , Managing Director, Volkswagen Group Rus NSC Moscow	
AEB MEMBER COMPANIES	<p>JSC "Avtovaz"; BMW Russland Trading; Chery Automobile Rus; FCA Russia; Ford Sollers Holding; GAZ Group; General Motors CIS; Honda Motor Rus; Harley-Davidson Russia and CIS; Hyundai Motor CIS; Jaguar Land Rover; Kia Motors RUS; Mazda Motor Rus; Mercedes-Benz Rus; Mercedes-Benz Manufacturing; Mercury Auto (Ferrari/Maserati); Mitsubishi Motors Rus; MMC Rus; Nissan Manufacturing Rus; Peugeot Citroën Rus (Groupe PSA); Porsche Russland; Renault Russia; Sollers; Subaru Motor; Suzuki Motor Rus; Toyota Motor; Volkswagen Group Rus (Audi/ Bentley/Ducati/Lamborghini/Škoda/Volkswagen/Volkswagen NFZ); Volvo Cars; Yamaha Motor CIS.</p>	
NUMBER OF COMMITTEE MEETINGS	40	
AEB OPEN EVENTS ORGANISED	AEB events	Date
	AMC Annual Press Conference "Review 2018" (~ 200 participants)	14.01.2019
	AEB external events	
AEB OPEN EVENTS ORGANISED	OICA General Assembly and Exhibition Committee Meeting	13.02.2019
	OICA Centennial Conference, Paris, France	14.02.2019
	ForAuto Forum (Avtostat) – Forecast and tendencies of the Automobile Market	20.02.2019
	RAF Russian Automobile Forum	21.03.2019
	AEB Round Table on Euro 6 (jointly with CVC)	18.04.2019

AEB OPEN EVENTS ORGANISED

III International Navigation Forum by Avtonet	23.04.2019
EPTS Meetings at AEB (jointly with CVC)	30.04.2019
Connected Car Conference 2019	23.05.2019
ACEA Meeting, Brussels, Belgium (jointly with CVC)	18.06.2019
IMAF Expocentre (jointly with CVC)	27-28.08.2019
Comtrans (jointly with CVC)	03.09.2019
NTI Avtonet Forum 2019 (jointly with CVC)	11.10.2019
MANF, NAMI	16-17.10.2019
AutoEvolution International Forum, Kaluga	30.10.2019
Transport week – Round table on connectivity (jointly with CVC)	19.11.2019
OICA General Assembly in Mumbai, Goa (India)	26-30.11.2019
109 th International Conference of Association of Automobile Engineers of Russia "Technical regulating for automotive vehicles"	04.12.2019
Annual Automobile Conference "AVTOPROM 2019" (jointly with CVC)	11.12.2019

COMMITTEE ACTIVITIES, 2019

The year 2019 was the 22nd year of AMC operations within the AEB.

This year the Committee broadened the scope of its activities by creating a Subcommittee of the Motorcycle Manufacturers.

For the 13th year the Committee continued running for its members an online sales data exchange system, which remained almost the only up-to-date and reliable source of statistics of sales of passenger cars (PC) and light commercial vehicles (LCV) in Russia. Following a well-established tradition, results of the year 2018 were opened to the media at an AMC annual press conference. The press conference provided the press with an opportunity to interact with heads of the automobile companies, with regard to very important issues related to the automotive industry.

One of the main issues on the AMC agenda in 2019 continued to be a mandatory introduction of the digital passports of the wheeled vehicles (EPTS). Apart from being official active members of the EEC Working Group on introduction of digital passports of wheeled vehicles (EPTS), the AMC organised for its members numerous meetings with participation of representatives of AO "Electronniy Passport", Ministry of Industry and Trade, EEC and other involved parties. Largely due to the AMC efforts, the transition period for the mandatory EPTS introduction was extended to November 2020. The Committee will continue monitoring the development of

the EPTS systems in close cooperation with the responsible state bodies and AO "Electronniy Passport" and will act in the interest of its members.

Technical Regulations of the Customs Union, TR CU 018/2011, "On the Safety of Wheeled Vehicles" which entered into force on 01.01.2015 continued to be in the focus of the Committee's activities throughout the year 2019. The Committee worked out and submitted its proposals for the Amendments No. 3 to the Technical Regulations "On the Safety of Wheeled Vehicles". The Committee actively participated in round table discussions with Rosstandart, Minpromtorg, and Certification bodies addressing all important issues of the practical application of the TR CU 018/2011 "On the Safety of Wheeled Vehicles". A lot of efforts were directed towards improvement of the cars certification system in Russia through the contacts with Rosstandart and Rosaccreditation.

In 2019 the AMC continued cooperation with the stakeholders of the OSAGO procedures, such as the Russian Union of Motor Insurers' (RSA) and the Central Bank in order to make the process of compensation under OSAGO more transparent and repaired cars safer for the customers.

Regulations for labelling of tires (trace and track system introduction) attracted attention of the members due to unclarity of the process.

The Committee continued its efforts to lobby for promotion of the electric vehicles and other innovative means of transport.

The new cars sales market reverted to its decline in 2019 partially due to the VAT increase by 2% from 1 January 2019. The increase of the disposal fee from 1 January 2020 might worsen the situation. The AMC will continue informing of the market trends through press releases on a monthly basis. The car sales statistics provided by the AMC is widely used by all automotive and business media in Russia and abroad. Press coverage of issues addressed by the AMC and its activities in general further increased in 2019.

Throughout the year Committee representatives actively participated in other important events, where they spoke on behalf of the AMC, such as "Rosavtodealer-2019", the 103rd International Scientific-Technical Conference of the Association of Automobile Engineers "Technical Regulation of the Automotive Vehicles" and others.

AMC representatives actively participated in the work of various industry related Committees and Working Groups created by the Ministry of Industry and Trade, the Federal Agency on Technical Regulating and Metrology (Rosstandart), the Federal Agency for Accreditation (Rosaccreditation), TK-056 and others.

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

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

AUTOMOTIVE COMPONENTS COMMITTEE

AIM(S)	To unite and lobby for the joint interests of AEB members in the automotive supplier sector, facilitating meetings with officials, industrial associations and original equipment manufacturers (OEMs), supporting networking and exchange of contacts within the industry and helping companies establish working contacts with car plants.	
CHAIRPERSON	Andrey Kossov , Country Manager Russia, Johnson Matthey	
DEPUTY CHAIRPERSON	Alexey Belyaev , Sales Manager, Faurecia	
AEB MEMBER COMPANIES	Atlas Copco; BASF; Clarios; Benteler; Continental Automotive Systems Rus; Delphi Technologies; Deloitte; DLA Piper; Dow Europe; DuPont Science and Technologies; FAURECIA; EY; Gestamp Russia; Henkel; ISG support-GUS GmbH; Johnson Matthey; KPMG; PwC; PES/SKK (Aptiv); Robert Bosch; Russian Automotive Components; SAF-Holland RUS; Segula Technologies Russia; Volvo Group.	
NUMBER OF COMMITTEE MEETINGS	5	
AEB OPEN EVENTS ORGANISED	AEB events	Date
	Round Table on Euro 6 introduction perspectives, together with AMC, CVC	18.04.2019
	Special meeting dedicated to technical regulation for off-road/self-propelled vehicles	06.12.2019
	AEB external events	Date
	Participation in ForAuto Conference, together with AMC, CVC	20.02.2019
	5 th International Automotive Forum "TIAF 2019 supported by Automechanika" in Kazan	26-28.02.2019
	Participation in RAF Forum together with AMC, CVC	19-21.03.2019
	Connected Car Summit, together with AMC, CVC	23.05.2019
	Meeting with Department for the Development of Economic Sectors, Ministry of Economic Development	05.06.2019
	Annual Meeting with ACEA together with AMC, CVC	18.06.2019
	Meetings with CLEPA	29.08.2019 19.09.2019
	10 th International Moscow Automotive Forum IMAF 2019 in Moscow	27-29.08.2019
	COMTRANS Arena and Exhibition	02-06.09.2019
	Meeting with NP Glonass on Autodata Consortium, together with AMC, AMC	27.09.2019
	AutoNet International Forum, together with AMC, CVC	11.10.2019
Meeting with NP Glonass on Automotive Components participation in Autodata	21.10.2019 27.11.2019	

**AEB OPEN EVENTS
ORGANISED**

AutoEvolution Conference in Kaluga, together with AMC, CVC	30.10.2019
Round Table on Autonomous Vehicles by NTI Autonet together with AMC, CVC	19.11.2019
Automotive components producers meeting with co-chairs of the National Technological Initiative "AutoNet"	21.11.2019
Participation in Hypermotion, Frankfurt	25-28.11.2019
Meeting at the Federation Council on automotive industry, together with AMC, CVC	04.12.2019
109 th International Conference of Association of Automobile Engineers of Russia "Technical regulating for automotive vehicles"	04.12.2019
Participation in Autoprom 2019 conference, together with AMC	11.12.2019

COMMITTEE ACTIVITIES, 2019

The Automotive Components Committee was founded in 2000 to unite and lobby for the joint interests of AEB members in the automotive supplier sector, facilitating meetings with officials, industrial associations and original equipment manufacturers (OEMs), supporting networking and exchange of contacts within the industry and helping companies establish working contacts with car plants.

Key questions discussed in 2019:

Development strategy

It was expected that the Strategy for the Development of the Production of Components for the Automotive Industry would be approved at the beginning of 2019, and would be a logical continuation of the Strategy for the Development of the Automotive Industry for the Period up to 2025, approved by the Government in April 2018. It's necessary for the responsible federal executive authority to approve the editorial development strategy for the production of automotive components, which was discussed and agreed upon at the level of the industry community, setting as priorities the increase in local value added and the integration of the Russian industry into the global automotive industry.

Industrial assembly of auto parts

On 1 July 2019, Decree of the Government of the Russian Federation No. 846 'On Amending Decree of the Government of the Russian Federation No. 1278 of 26 October 2018' was adopted, extending the validity of Resolution No. 1278 for 2019-2020.

It should also be borne in mind that, despite the monthly provision of a subsidy provided for by Decree No. 1278, in practice, funds are not transferred regularly once a month, but periodically, with no defined schedule. This procedure for transferring subsidies can lead to cash gaps. In addition, due to budgetary constraints, there is a risk of non-receipt of subsidies. In this regard, in order to minimise this risk, it is advisable to review the proposed compensation procedure in detail, assess the risks of switching to the new mechanism, and also establish oversight over the preparation and provision of a set of documents that satisfy the requirements of Decree No. 1278.

EURO 6

The AEB Automotive Components Committee and the majority of experts generally support the introduction of emission standard 6 in the EAEU to improve the environmental situation, enhance the technical level of equipment manufactured, ensure the industry's integration with other developed markets, and attain the goals set by the Automobile Industry Development Strategy up to 2025. The Ministry of Industry and Trade, in cooperation with NAMI and the EEC, should determine the date on which emission standard 6 will be introduced and give its precise definition.

Localisation requirements and Decree 719

The Committee generally supports the initiatives to develop and support the auto industry, as well as clarifying the conditions for assigning the status 'made in Russia'. Under the current version of Decree 719, achievement of the goals set by the development strategy for the automotive industry is not obvious. For the further development of the industry, it is also important to have targeted measures for the development and support of automotive component manufacturers, clarification of the priorities for which can be made within the framework of the Strategy for the Development of the Production of Components for the Automotive Industry. The Committee hopes that it will ultimately be possible to reach a consensus between all interested parties, creating uniform, interlinked, consistent and clear rules and thus speeding up the development of the entire automotive industry of Russia and, in particular, the auto parts sub-industry.

BANKING COMMITTEE

AIM(S)	<ul style="list-style-type: none"> • The Banking Committee brings together representatives of international banks and other financial institutions and combines their efforts in order to effectively represent their interests on the Russian market and promote a favourable climate for the operation of international banks in Russia. • The Committee aims to: provide a level playing field between local and foreign operators; provide direct technical policy advice to European and Russian government officials. 	
CHAIRPERSON	Mikhail Chaikin , CEO, ING Wholesale Banking in Russia	
AEB MEMBER COMPANIES	American Express Bank; Banca Intesa; Bank Credit Suisse (Moscow); BNP Paribas; Center-invest Bank; Citibank AO; Commerzbank (Eurasija) AO; Credit Agricole CIB AO; Danske Bank Russia; DEG Representative Office Russian Federation; Deutsche Bank Ltd.; European Bank for Reconstruction and Development (EBRD); HELLENIC BANK PCL; HSBC Bank (RR) OOO; ING Wholesale Banking in Russia; Mercedes-Benz Financial Services Rus OOO/Mercedes Benz Bank Rus OOO/Mercedes-Benz Capital Rus OOO; Natixis Bank JSC; Nordea Bank; OTP Bank JSC; Raiffeisenbank AO; Rosbank; UBS Bank, OOO; UniCredit Bank AO; VISA.	
NUMBER OF COMMITTEE MEETINGS	12	
AEB OPEN EVENTS ORGANISED	AEB events	Date
	Meeting with Elvira Nabiullina, Governor of the Central Bank of Russia (jointly with other Committees)	07.11.2019

COMMITTEE ACTIVITIES, 2019

2019 was a fruitful year for the AEB Banking Committee. As usual, multiple regular meetings of the Committee's specialised working groups, including joint intracommittee meetings, were held to address various ongoing issues of interest to the Committee and review recent general and industry-specific legislation.

Traditionally, the Committee held a number of open meetings and events on topical issues. Over the last year, the Committee's working groups undertook active lobbying efforts for a wide range of issues. Presented to the relevant authorities were: proposals to the draft law concerning the calculation of fines; comments with regard to tax authorities' numerous requests directed to banks; proposals for amending the RF Criminal Code in part addressing economic crimes; proposals under the current "regulatory guillotine" exercise aimed at removing "excessive and redundant legislation"; comments to a number of laws, including FZ 01/05/06-18/00081764 "On mandatory requirements" (related to the "regulatory guillotine" initiative), the draft laws introducing criminal liability for dissemination of information promoting sanctions, and the law governing the national payment system's operation; as well as comments to a number of CBR-issued instructions.

The Banking Committee actively prepared for and participated in the meeting with Elvira Nabiullina, Governor of the Central Bank of the Russian Federation. The Committee put together and submitted to Ms Nabiullina's office a substantive list of questions on a number of pressing issues, including international and domestic financial policy, CBR's strategies, planned interventions and initiatives. It has been noted with satisfaction that on the overall the Central Bank of the Russian Federation is starting to pay attention to the concerns and feedback of the foreign banking community and is becoming more open and receptive towards such feedback, which is highly useful for promoting efficient operations of foreign banks in Russia.

COATINGS INDUSTRY WORKING GROUP

AIM(S)	To represent and lobby interests of coatings industry companies in Russia.
CHAIRPERSON	Peter Marten de Groot , General Director, Hempel
AEB MEMBER COMPANIES	Akzo Nobel Coatings LLC; Allnex Belgorod LLC; BASF; Dow Europe GmbH Representation office; DSM; Hempel; Jotun Paints LLC; PPG Industries LLC; Resinex Rus; Solvay Vostok LLC; Tikkurila.
NUMBER OF WORKING GROUP MEETINGS	4

WORKING GROUP ACTIVITIES, 2019

In 2019, the Coatings Industry Working Group discussed the special criteria of localisation imposed by PAO "Gazprom" for purchasing local chemical and coatings products.

The Working Group also faced a new concern – the regulation of legislation for ethanol-containing products (some coating products contain this substance in very limited quantities), and the WG addressed this issue having sent a letter to I. Aleshin, Head of the Federal Service for Regulation of Alcohol Products.

Another important issue for the industry is the new Technical Regulation TR 041 which had been approved by the Eurasian Economic Commission in 2017. All chemical-producing companies have to comply with its regulations.

COMMERCIAL VEHICLES COMMITTEE

AIM(S)	To formulate and promote the agenda of European commercial vehicles producers to enhance sustainable business environment and the development of the economy and innovations in the Russian Federation.	
CHAIRPERSON	Peter Andersson , Managing Director, MAN Truck and Bus RUS	
AEB MEMBER COMPANIES	DAIMLER KAMAZ RUS/Fuso Trucks; FCA Russia; Ford Sollers Holding/Ford Trucks; HINO Motor Rus; Iveco Russia; Isuzu Rus; GAZ Group; MAN Truck and Bus RUS; Meiller Vostok; Mercedes-Benz Rus; Nissan Manufacturing Rus; Peugeot Citroën Rus (Groupe PSA); Renault Russia; Scania Rus; Sollers; Volkswagen Group Rus; Volvo Vostok.	
NUMBER OF COMMITTEE MEETINGS	8	
AEB OPEN EVENTS ORGANISED	AEB events	Date
	Meeting on introduction of EPTS, together with AMC	18.02.2019
	Round table on Euro 6 introduction perspectives, together with ACC, AMC	18.04.2019
	AEB Flagship Conference	21.05.2019
	Participation in the AEB and GfK event on presentation of the results of the 12 th Annual Survey "Strategies and Prospects for European companies in Russia"	30.05.2019
	AEB external events	
	Participation in the working group by the Eurasian Economic Commission on introduction of electronic passports together with AMC	quarterly
	Meeting with OAR, participation in Exhibition WG, together with AMC	29.01.2019 20.09.2019
	Sweden as a market for Russian exporters at the Swedish Embassy	31.01.2019
	Rosstandart WG on the activities of accredited entities in the field of conformity assessment of vehicles	08.02.2019 20.12.2019
	Regular WG Meeting at Technical Committee 056	13.02.2019 31.05.2019 03.10.2019
	Participation in ForAuto Conference, together with AMC	20.02.2019

AEB OPEN EVENTS ORGANISED

5 th International Automotive Forum "TIAF 2019 supported by Automechanika" in Kazan	26-28.02.2019
Participation in RAF Forum together with AMC	19-21.03.2019
Meeting with EU Delegation on Connectivity project, together with AMC	12.04.2019
Participation in Navitech forum, together with AMC	24.04.2019
EPTS Meetings at AEB with AMC	30.04.2019
Connected Car Summit, together with AMC	23.05.2019
Annual Meeting with ACEA together with AMC	18.06.2019
Meeting with Rosstandart regarding EVTA (Electronic Transport Vehicle Type Approval) together with AMC	16.08.2019
10 th International Moscow Automotive Forum IMAF 2019 in Moscow	27-29.08.2019
Meeting with Minpromtorg on EPTS introduction together with AMC	29.08.2019 19.09.2019 08.10.2019 25.10.2019
COMTRANS Arena and Exhibition	02-06.09.2019
Meeting with NP Glonass on Autodata Consortium, together with ACC, AMC	27.09.2019
Rosstandart round table together with AMC	01.10.2019
AutoNet International Forum, together with AMC	11.10.2019
Bus World Brussels	18.10.2019
AutoEvolution Conference in Kaluga, together with AMC	30.10.2019
Round table on Autonomous Vehicles by NTI Autonet together with AMC	19.11.2019
Participation in Hypermotion, Frankfurt	25-28.11.2019
Meeting at the Federation Council on automotive industry, together with AMC	04.12.2019
109 th International Conference of the Association of Automobile Engineers of Russia "Technical regulating for automotive vehicles"	04.12.2019
Participation in Autoprom 2019 conference, together with AMC	11.12.2019

COMMITTEE ACTIVITIES, 2019

The Commercial Vehicles committee (CVC) was founded at the end of 2008 as a spin-off of the Automobile Manufacturers Committee (AMC) in order to focus on specific needs of the commercial vehicles manufacturers in the Russian Federation. The Committee actively participated in the Comtrans 2019 Exhibition.

Main issues discussed within the Committee in 2019:

Scrappage fee

The Russian government increased the scrappage fee rate starting from January 2020. The Commercial Vehicles Committee is against the indexation of the scrappage fee. The Committee believes that a substantial, many-fold, and disproportionate increase in the scrappage fee rates will lead to a whole range of adverse consequences for various consumer categories (private persons, small and medium-sized business, large companies), the automotive market and the automotive industry in general, as well as for the whole Russian economy. The cumulative adverse effect of this decision will significantly exceed any potential benefits for individual manufacturers.

Expanded use of natural gas for transport

Currently, the Russian government, in cooperation with Gazprom Gas-Engine Fuel, is working to expand the use of natural gas as a motor fuel in Russia. Their efforts are aimed at developing the state programme for the period up to 2024 that would provide for various state support measures which, together with existing measures, are expected to significantly expand gas supply infrastructure for motor vehicles and increase domestic gas consumption.

The Committee members are convinced that this work will have a strategic impact and is intended to take advantage of Russia's competitive advantages. The Committee believes that faster growth of the gas-powered fleet may be ensured by enhancing the attractiveness of gas-powered vehicles for Russian consumers as compared to diesel vehicles and, in particular, by creating temporary preferential conditions for operation on the market for this type of vehicles aimed at reducing tax and operating costs.

AUTODATA.RUS

On 30 September 2019, the AEB became a member of the intersectoral consortium AUTODATA.RUS which was created at the initiative of the GLONASS Union with the support of Deputy Prime Minister of Russia M.A. Akimov and the Ministry of Industry and Trade of Russia. The Committee supports the AEB participation in this project to examine the options of expanding cooperation between its members and the government, as well as cooperation with experts from various sectors involved in the development of connected transport technologies in Russia. Creating new services for using data generated by vehicles and infrastructure will help increase added value for market players by increasing the performance of those sectors of the economy that use commercial vehicles.

At the same time, the Committee points out that, for the promotion of national data platforms, it is crucial to ensure strictly non-discriminatory access to the collected data of all commercial vehicle market players, as well as to avoid imposing new products created based on the consortium's developments on businesses as mandatory.

EURO 6

The Committee supports the introduction of emission standard 6 in the EAEU to improve the environmental situation, enhance the technical level of equipment manufactured, ensure the industry's integration with other developed markets, and attain the goals set by the Automobile Industry Development Strategy up to 2025.

For business, what is most critical is that currently there are no clear guidelines for introducing the new emission standard 6, no established deadlines, and no exhaustive technical requirements. To plan investments, carry out the respective developments, and get ready for manufacturing, it is crucial to set deadlines and work out requirements.

Introduction of electronic passports to vehicles system

Electronic passports for vehicles became mandatory from November 2019. As an official member of the Working Group at the EEC on introduction of EPTS, the Committee members actively participated in the discussions and practical implementation of EPTS with the Ministry of Industry and Trade of Russia, Electronic Passport JSC, and the Eurasian Economic Commission.

The Committee cooperates with the European Association of Automobile Manufacturers (ACEA).

COMPLIANCE & ETHICS COMMITTEE

AIM(S)

- To serve as a place where professionals from AEB members and different external stakeholders (incl. state bodies) can share and promote best practices via informational briefings, seminars, reports, regular compliance cases updates.
- To comply with their obligations under the international and local requirements in compliance area.
- To facilitate, promote, monitor and secure the implementation of the best compliance programme and policies.
- To foster the international understanding of applicable laws, including but not limited to laws addressing corruption, bribery, trade controls, and fair competition. Areas of interest include business ethics, regulatory issues, internal controls, governance and risk assessment and mitigation.

CHAIRPERSON

Anton Subbot, Partner, Baker McKenzie

DEPUTY CHAIRPERSON(S)

Grigory Khoroshukhin, Compliance Officer, Robert Bosh LLC
Elena Zheltovskaya, Compliance Director, AstraZeneca Pharmaceuticals LLC

AEB MEMBER COMPANIES

AIG Insurance Company; Air France; Akzo Nobel Coatings; ALD Automotive; ALRUD Law Firm; Astellas Pharma; AstraZeneca Pharmaceuticals; Atlas Copco; Avanta Solutions; Baker McKenzie; Beiten Burkhardt Moscow; BNP Paribas CARDIF Insurance company; Boehringer Ingelheim; Borenius Russia; Brand & Partners; British American Tobacco Russia; Bryan Cave Leighton Paisner; Castrén & Snellman International Ltd.; Caterpillar Eurasia; Center-Invest Bank; Chiesi Pharmaceuticals; CMS Russia; Coleman Services UK; Continental Tires RUS; Control Risks; Credendo – Ingosstrakh Credit Insurance; Credit Agricole CIB; Creon Capital S.a.r.l; Daimler Kamaz Rus; Danone Russia; De Lage Landen Leasing; Deloitte CIS; Dentons; DHL Express; Drees & Sommer; Egorov Puginsky Afanasiev & Partners (EPAM); Euler Hermes; EY; Ford Sollers Holding; General Motors CIS; Generali Russia & CIS; GlaxoSmithKline Trading; Hempel; Hino Motors; HSBC Bank (RR); Hyundai Truck and Bus Rus; IKEA DOM; Imperial Tobacco Sales and Marketing; Inchcape Holding; John Deere Rus; KPMG; Kuehne+Nagel; Kuusakoski oy (Petromax); Lanxess; Legrand; Liniya Prava Law Firm; M.Video; MAN Truck & Bus RUS; Mannheimer Swartling; Marsh - Insurance Brokers; Mercedes-Benz Russia; Merck; Michelin; Noerr ; Nokia; Norton Rose Fulbright (Central Europe); Novo Nordisk A/S; Oriflame; Pepeliaev Group; Peugeot Citroën Rus; Philips; Porsche Russland; PPG Industries; PwC; Repsol Exploracion S.A.; Risk Advisory Group Ltd; Robert Bosch; Roche Diagnostics Rus; Rockwool; Rödl & Partner; Rosbank; SAP CIS; Scania-Rus; Schneider Electric; Schneider Group; Servier; Shell Exploration and Production Services (RF) B.V.; Siemens; Societe Generale Strakhovanie Zhizni; Syngenta; Thomson Reuters; Tinkoff Online Insurance; TMF Group; Total E&P Russie; Toyota Motor; Troika Relocations Ltd.; United Technologies International Operations, Inc., Representative Office; Urus Advisory Ltd.; Volkswagen Group Rus; Whirlpool RUS; Zurich Reliable Insurance.

NUMBER OF COMMITTEE MEETINGS

4

AEB external events		
AEB OPEN EVENTS ORGANISED	VIII Annual ICA Conference "Compliance: expanding the boundaries"	23.05.2019
	The 5 th Annual Refinitiv ASEAN Regulatory Summit	08.05.2019
	Compliance & Anti-Corruption in Russia and CIS Conference	27-28.06.2019
	3 rd International Legal Conference	05.09.2019
	2 nd International Forum on Cartels	16.09.2019

COMMITTEE ACTIVITIES, 2019

We invited Andrey Tenishev, Head of Anti-Cartel Department at FAS, to one of the Committee meeting. Mr. Tenishev spoke about recent FAS initiatives regarding changes in criminal legal policy, the Code of Administrative Offences and Federal Law 135. Mr. Tenishev shared with the Committee drafts of the amendments to the Code of Administrative Offences.

The Committee participated and arranged the round tables in the following external events:

- VIII Annual ICA Conference "Compliance: expanding the boundaries";
- Compliance & Anti-Corruption in Russia and CIS Conference;
- 3rd International Legal Conference;
- 2nd International Forum on Cartels.

Committee members took part as speakers in:

- Sanction updates: the 5th Annual Refinitiv ASEAN Regulatory Summit (08.05);
- VIII Annual ICA Conference "Compliance: expanding the boundaries" (23.05);
- Gold AML standards in changing regulatory environment on Conference Compliance and AML Function in Banks 2019 in Serbia (29-30.05).

CONSTRUCTION EQUIPMENT COMMITTEE

AIM(S)	The AEB Construction Equipment Committee serves as a platform for foreign manufacturers of construction equipment to discuss common issues and opportunities and acts, where appropriate, as a representative of its member companies on common industry concerns. The Committee works to promote safety, good business practice and sustainability.	
CHAIRPERSON	Andrey Komov , Managing Director, Volvo Construction Equipment Russia & CIS, Volvo Vostok	
AEB MEMBER COMPANIES	Atlas Copco; Caterpillar Eurasia; CNH Industrial (Russia) Commercial Operations; Doosan Infracore Co.; Hitachi Construction Machinery Eurasia Sales; Hyundai Heavy Industries; JCB; John Deere; Komatsu CIS; Liebherr-Russland; Ponsse; Volvo Vostok; Wirtgen International Service.	
NUMBER OF COMMITTEE MEETINGS	9	
AEB OPEN EVENTS ORGANISED	AEB external events	Date
	Construction Equipment Forum: The future of the construction equipment market in Russia: focus on innovations during Bauma CTT Russia	04.06.2019
	AEB external events	Date
	Participation in the working group by the Eurasian Economic Commission on introduction of electronic passports	quarterly
	Meeting with Korchevoy E.A., Director of the Department of Agricultural, Food and Road Building Engineering of the Ministry of Industry and Trade	02.04.2019
	Participation in the CECE Summit, Brussels	15-17.10.2019
	Meeting with Elkina M.I., Director of the Department of Agricultural, Food and Road Building Engineering of the Ministry of Industry and Trade	13.12.2019
Participation in the meeting at EEC on amendments to Decision No. 100	26.11.2019	

COMMITTEE ACTIVITIES, 2019

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

One of the key priorities of the Committee is running the statistical programme which was launched in 2008 and which has proved effective. Starting from January 2013, the list included telescopic handlers, track-mounted mini loaders, and wheel dozers. Now almost all players of the Russian road construction and special-purpose equipment market are included in the programme for certain types of products, which accounts for the high accuracy of reports.

Monthly reports available to the programme participants help determine the market volume and trends, as well as assess the effectiveness of marketing of the main product line and of the introduction of new products, including on a regional level. The press releases are published on a quarterly basis. The Committee is working on launching the statistical programme for road construction and forestry machines.

Key questions discussed in the Committee in 2019:

- indexation of disposal fee for CE;
- amendments to D719 and localisation requirements;
- amendments to TR CU 010 – requirements for equipping navigation equipment;
- CE Strategy.

The Committee cooperates with other national construction equipment industry associations. In 2009, the AEB CEC became a member of the Committee for European Construction Equipment (CECE) and participates annually in the CECE meetings. In April 2013, the AEB CEC and the Korea Construction Equipment Association (KOCEMA) signed the Memorandum of Understanding.

CONSTRUCTION INDUSTRY & BUILDING MATERIAL SUPPLIERS COMMITTEE

AIM(S)	<ul style="list-style-type: none"> • Platform for communication between members of the Committee. • Representation of European companies for construction and building material suppliers in Russia (in private, governmental and non-governmental organisations). • Communication within and outside the Committee on general and specific questions. 	
CHAIRPERSON	Vitaly Bogachenko , Corporate Affairs Director, LafargeHolcim	
AEB MEMBER COMPANIES	AGC Glass Europe; Ariston Thermo Rus; ARKEMA SA; BASF; Bayer JSC; Dow Europe GmbH Representation office; Dyckerhoff GmbH; FlaktGroup; Freudenberg Performance Materials Group; HeidelbergCement Rus; Henkel Rus OOO; Knauf Group CIS (OOO Knauf Gips); LafargeHolcim; Legrand LLC; ROCA; ROCKWOOL; Saint-Gobain; Siemens LLC; Tikkurila; Uponor; Wienerberger; YIT.	
NUMBER OF COMMITTEE MEETINGS	14	
AEB OPEN EVENTS ORGANISED	AEB external events	Date
	External meeting on renovation with the Moscow government (jointly with the Energy Efficiency and Real Estate Committees)	05.03.2019

COMMITTEE ACTIVITIES, 2019

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

In 2019, the Committee's efforts concentrated on building a common position on the following issues:

- application of the advanced construction technologies and materials for development of road infrastructure in Russia;
- fire safety in shopping malls;
- certification of cements, special types of cements;
- acoustic comfort standards in residential and commercial buildings: improvement of requirements and control of their compliance;
- measures to stimulate the development of educational infrastructure in the construction sector;
- establishment of the mandatory expert examination of design documentation for the overhaul of the apartment buildings;
- classifying production facilities as having a negative environmental impact;
- application of the best available technologies in the field of waste management. The inclusion of cement industry plants in the waste management system at the federal and regional levels as an equal participant in the final processing stage;
- the high cost of transporting materials and distribution of penalties for violating traffic rules;
- draft of the EAEU TR "On the safety of building materials and products";
- gas supply in Russia.

In 2019 Vitaly Bogachenko, Committee Chairman, participated in the:

- RBK Conference "Dialogue of the construction industry: development strategy 2024 on the situations in the building materials market and triggers for its development (21.03);
- joint meeting of the International Council for Cooperation and Investment (ICCI) and the RSPP Committee on Investment Policies, Development Institutions and Export Support on the issue of waste recycling in cement plants (06.12);
- meeting of the working group on construction and housing utilities, regulatory guillotine (11.12).

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

In 2019, the Heating Systems Manufacturers, the working group of the Committee, continued to conduct its sales statistics.

CROP PROTECTION COMMITTEE

AIM(S)	<ul style="list-style-type: none"> • To establish a consolidated position on key issues affecting the industry. • To present and promote the Crop Protection Committee (CPC) interests by interacting with Russian government authorities, public institutions and business associations.
CHAIRPERSON	Jonathan Brown , Syngenta CU Head Russia
DEPUTY CHAIRPERSON(S)	Anton Basov , Director for Production Development in Eastern and Central Europe, Corteva Agriscience
AEB MEMBER COMPANIES	ADAMA; BASF; Bayer; Corteva Agriscience; FMC; Syngenta.
NUMBER OF COMMITTEE MEETINGS	6

COMMITTEE ACTIVITIES, 2019

Participation in the IX International Conference "Pesticides 2019" on 17 September 2019 with 2 consolidated presentations on behalf of CPC:

- "Possible consequences of EU CPP trends for Russian agriculture";
- "EEU Technical regulation "Safety of chemical products": what CPP producers look forward to?".

Container Management Scheme (CMS)

A consolidated presentation "Environmental responsibility for the collection and recycling of pesticide containers by CPP producers: legislation and law-enforcement practice" in the round table discussion "Container Management Scheme in Russia: what has been achieved and needs to be pursued" in the framework of the IV All-Russian Pesticide Congress dedicated to the 90th anniversary of the All-Russian CPP Institute, St. Petersburg, September 9, 2019.

Participating and managing the delegation of the AEB, ECOPOLE LLC and the Rosselkhozcenter in the framework of the Memorandum of Cooperation between the AEB and Rosselkhozcenter to get acquainted with the best EU CMS practice: negotiating, providing comments and promoting the experience of RF CPP producers, Bavaria, September 24-27, 2019.

Anti-counterfeit activities

A consolidated presentation "Combining right holders' and customs authorities' efforts to timely combat counterfeit pesticides to EAEU market" at the round table discussion "The role and tasks of customs authorities in the intellectual property protection area" in the framework of the VII International Forum "Anticounterfeit", Erevan, November 12, 2019.

CUSTOMS & TRANSPORT COMMITTEE

AIM(S)	<ul style="list-style-type: none"> • To lobby on the concerns of member companies through dialogue with the Federal Customs Service, Ministry of Finance, Eurasian Economic Commission, and other governmental bodies of the Russian Federation. • To promote the application of industry standards in accordance with the best international business practices and trade facilitation principles. • To provide AEB members with quality information on developments in customs regulations and facilitate focused business networking. 														
CHAIRPERSON	Dmitry Cheltsov , General Delegate, IRU Permanent Delegation to Eurasia														
DEPUTY CHAIRPERSON(S)	Sergei Gusev , Customs Manager & Technical Regulation Advisor, Electrolux Wilhelmina Shavshina , Legal and Business Development Director, Head of International Trade Practice, DLA Piper														
AEB MEMBER COMPANIES	Arivist; Arkema; Atlascopco; BAT; Bayer; BLG Logistics Solutions; Bonduelle; Bryan Cave Leighton Paisner (Russia) LLP; BSH Bytowyje Pribory; Cargill; CMS Russia; Danone Russia; Deloitte; Delphi Samara JV; Dentons; DHL Express; DHL Global Forwarding; DLA Piper; DuPont; EY; Electrolux; Groupe SEB Vostok; FordSollers; Ferrero; FM Logistic; Harley Davidson; IKEA; IRU; Itella; Jaguar Land Rover; JCB; JURALINK; JTI; Knauf International; KPMG; Lamberti; Leroy Merlin; MAN; LIEBHERR-RUSSLAND; Michelin; NAWINIA; Nestle; Nike; Nissan Manufacturing RUS; OBI; Pepeliaev Group; PwC; Parkline Logistics; P&G; PSA Group; Philips; Philip Morris; Renault RUSSIA; Roca; Saint-Gobain; Scania; Schneider Electric; Shell; Siemens; TNT; Toyota; TABLOGIX; VOLKSWAGEN Group Rus; Volvo; Zentis.														
NUMBER OF COMMITTEE MEETINGS	10														
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	Round table on categorisation of foreign trade participants at the International Customs Forum 2019	24.10.2019
	Round table discussion with the EU Customs Attachés Club	30.10.2019
	Joint event of the AEB and JETRO on customs regulation	21.11.2019
	AEB external events	Date
		21.02.2019
		19.02.2019
		22.03.2019
		12.04.2019
	Joint meetings on customs regulation with Opora Rossii, Delovaya Rossiya, CCI, RSPP	22.05.2019
		19.06.2019
		18.09.2019
		14.11.2019
		25.12.2019
		12.03.2019
		21.03.2019
	Meetings of the Public Council of the Federal Customs Service on customs matters	17.06.2019
		03.07.2019
		24.09.2019
		26.11.2019
		17.12.2019
		21.01.2019
		16.02.2019
		18.03.2019
		21.03.2019
	Meeting of the Expert-Advisory Council on implementation of customs policy of the Federal Customs Service	17.06.2019
		03.07.2019
		24.09.2019
		26.11.2019
		12.12.2019
		17.12.2019
		19.12.2019
		21.03.2019
	Meetings of the Council Customs Regulation of the Eurasian Economic Commission	23.05.2019
		09.10.2019
		23.12.2019
	Dmitry Nekrasov, Head of customs legislation and law enforcement practice, Eurasian Economic Commission (7 th intergovernmental Council meeting on customs regulation)	09.10.2019

**AEB OPEN EVENTS
ORGANISED**

AEB OPEN EVENTS ORGANISED	Alexey Sazanov, Head of Taxation and Customs Department of the Ministry of Finance; Alexander Guskov, Deputy Head of Risk Management System Department, the Federal Customs Service (categorisation of foreign trade participants)	21.10.2019
	Dmitry Kozlov, Head of Foreign Trade Department, Ministry of Economic Development, on elaboration of the common approach to the project decision of the Eurasian Economic Commission	30.10.2019
	Alexander Guskov, Deputy Head of Risk Management System Department, the Federal Customs Service, on customs value regulation	18.11.2019
	Meetings of the working group on implementation of regulatory guillotine in the field of road transport	23.12.2019

COMMITTEE ACTIVITIES, 2019

On March 14, the 15th Annual Customs Conference "Customs and business: from cooperation to partnership" was organised by the Committee. Like in previous years, the conference was dedicated to recent developments in the national and EAEU customs legislation, as well as the analysis of current law enforcement practices. A number of well-known and recognised experts shared their knowledge and experience, offering a starting point for discussion searching for rational and efficient solutions to existing challenges such as:

- customs value determination and administration;
- implementation of the new law on customs regulation;
- certification and labelling of imported goods and many other acute topics.

The representatives of the Federal Customs Service and the AEB underscored the efforts of the Federal Customs Service and foreign trade participants aimed at creating favourable conditions for foreign trade and its sustainable development.

On April 16, the AEB and the Embassy of Lithuanian Republic organised an open meeting between AEB member companies operating in Russia and the Lithuanian transport and logistics companies, which took place in the Embassy of the Lithuanian Republic. The event was opened by welcome speeches by Giedrius Galkauskas, Chargé d'Affaires of the Republic of Lithuania in the Russian Federation, and Dmitry Cheltsov, AEB Customs & Transport Committee Chairman. The discussion during the meeting was extremely interesting, fruitful and constructive with highly professional experts and executives. The participants of the meeting had an opportunity to get more information about Lithuanian Railways transport and logistics services, the Klaipeda Sea Port and its stevedoring companies' services, the "Auto Praba" company services about partial loads from Europe to Russia and Belarus, wide range of services of the Customs Broker Company "Bunasta", and "IoT-solutions in logistics: investing less, saving more" provided by OMNICO MM company. Dmitry Cheltsov, AEB Customs & Transport Committee Chairman, General Delegate to the IRU Permanent Delegation to Eurasia, presented the activities of the Committee and highlighted that this meeting became a good tradition and provided a platform for discussion, and exchange of practical solutions in the field of transportation between AEB member companies and Lithuanian transport companies on the eve of the International Forum "TransRussia-2019".

On October 25, in the framework of the International Customs Forum a round table "Assessment of the integrity of organisations: reforms and prospects" was held with direct involvement of the AEB Customs & Transport Committee.

On 30 October, the AEB Customs & Transport Committee met with customs attachés of EU member states at the Residence of the French Ambassador to discuss recent changes in customs rules.

On November 21, the AEB Customs & Transport Committee held a joint round table with Japan Business Club customs committee and JETRO. Traditionally the meeting has been organised since 2011 on an annual basis. The round table discussion was moderated by Dmitry Cheltsov, AEB Customs & Transport Committee Chairman, IRU, and Yoshiki Nakano, JBC Customs Committee Chairman, Yusen Logistics. Participants of the round table discussed acute issues in customs regulation such as categorisation of foreign trade participants, customs value: transport cost deduction; update on administrative liability for customs violations and amendments to the Chapter 16 of the Code of the Russian Federation, recent trends in post-control. Yoshiki Nakano presented the results of the questionnaire on acute issues in customs clearance in Russia in 2019. At the meeting the participants agreed to continue cooperation and a constructive dialogue on exchanging opinions in customs regulation.

ENERGY COMMITTEE

AIM(S)	<ul style="list-style-type: none"> • To support EU-RF cooperation in the energy sector. • To provide a forum for AEB companies involved in the Russian energy sector to discuss and address matters of common interest. • To maintain relations with the parties directly involved in the Russian energy sector. • To consolidate European and Russian energy companies' efforts for business environment development. • To interact with Russian government authorities for favourable investment climate development. 								
CHAIRPERSON	Ernesto Ferlenghi , Executive Vice President Market Development Eni for Russia & Central Asia								
DEPUTY CHAIRPERSON(S)	Igor Yampolsky , Deputy Director for Corporate & Government Affairs, Total E&P Russie								
AEB MEMBER COMPANIES	BP Russia; Chevron Neftegaz Inc.; Electricite de France; Enel Russia; Eni S.p.A; ENGIE; Equinor Russia AS; Fortum; Gasunie; MOL Plc; OMV; Repsol Exploracion S.A.; Shell E&P Services (RF) B.V.; Total E&P Russie; Uniper Global Commodities SE; Unipro PJSC; VNG AG.								
NUMBER OF COMMITTEE MEETINGS	10								
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COMMITTEE ACTIVITIES, 2019

The AEB Energy committee stands as an interface of business opportunities and issues of concern to European energy companies operating in the Russian Federation. Therefore, the Committee sustains and develops its links to relevant state authorities in Russia and promotes productive and open dialogue between foreign energy companies investing in Russia and the legislative, executive and regulatory authorities of the Russian Federation, such as the RF State Duma, Ministry of Energy, Ministry of Finance and Ministry of Economic Development. The Committee also acts as an interface between the European energy business and Russian companies, such as Gazprom and others.

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

This year was marked by intense developing and enhancing of the working relations with the RF State Duma Energy Committee. It started with the meeting with its Chairman, P. Zavalny, which became a tradition. During the year Committee members were regularly invited to the hearings and round tables organised by the State Duma Energy Committee. In March the Committee jointly with the RF State Duma Energy Committee organised a round table "Russian Energy Sector: Investment Climate and European Investors". The speakers from the Committee were: C. Cremers, Country Chair Russia, Shell E&P Services; R. Hartmann, Head of Representation, Uniper Global Commodities SE; V. Drebtentsov, Vice-President, Head of Russia & CIS Economics, BP; E. Gabdulkaeva, Director, Corporate Governance, Legal & Asset Management, Unipro; V. Naboichenko, Director of Regulatory & Institutional Affairs, Enel Russia. The representatives of PAF, Ministries of Energy, Industry and Trade, and Economic Development also spoke at the event.

In 2019 the Committee paid particular attention to tax issues having invited twice to its meetings K. Vikulov, Partner, from Baker McKenzie; in the focus of its interest were also EU connectivity strategy, renewables, Russian LNG market; Russia's gas strategy, EU-Russia climate and energy transition dialogue.

Considering that one of the key aspects on the EU-Russia energy agenda this year was the question of gas agreement between Russia and Ukraine, the Committee also paid a special attention to this topic.

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

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

An important point of the Energy Committee agenda was the participation in the AEB business mission to Brussels in February 2019. Within the framework of the visit, the Committee Chairman could meet with key persons of the European Commission on the energy issues: Berndt Bievert, Deputy Head of Maroš Šefčovič's Cabinet; and Klaus-Dieter Borchardt, Internal Energy Market Directorate-General for Energy. E. Ferlenghi shared a common stand of all members of the Committee on the future of Russia-EU energy relationships and on necessity to develop an efficient dialogue between Europe and its main energy partner.

Committee members also participated in the work of the "Energy" session at the X Northern Dimension Forum (4 April 2019) in St. Petersburg.

In April 2019 the AEB signed a partnership agreement with the Russian National Oil and Gas Forum and the Committee Chairman participated in the panel session of this Forum. He spoke also at the Foreign Trade Academy International Conference, RANEP Round Table (May 2019). In his capacity of the representative of the AEB Energy Committee, E. Ferlenghi was nominated as a Chairman of the State Examination Board at MGIMO. During the year he met with several important personalities such as RF Energy Deputy Minister P. Sorokin and A. Inutsyn, Energy Minister of Uzbekistan A. Sultanov.

Committee members participated in several major events:

- International Investment Forum in Sochi (February 2019);
- RSPP Business week in Moscow (February 2019);
- Russian National Oil and Gas Forum (April 2019);
- Krasnoyarsk Economic Forum (April 2019);
- International Energy Conference in Berlin organised by the State Duma Energy Committee and Gazprom (May 2019);
- St. Petersburg International Economic Forum (June 2019);
- Innoprom Industrial Exhibition and Forum in Ekaterinburg (July 2019);
- Eastern Economic Forum in Vladivostok (September 2019);
- St. Petersburg International Gas Forum (October 2019);
- 32nd FIAC Annual Plenary Session chaired by PM Medvedev (October 2019);
- VTB Investment Forum "Russia Calling" in Moscow (November 2019);
- Open Innovations Forum in Moscow (October 2019);
- National Industrial Forum (December 2019).

The Russian Energy Week in Moscow (October 2019) was one of the major events of this year. The Panel Session "Russia-EU Partnership: Opportunities to Secure the Environmental Transformation of the Energy Market" organised by the AEB was moderated by the Committee Chairman E. Ferlenghi, Executive Vice-President Market Development for Russia & Central Asia, Eni S.p.A. The Committee panelists were: D. Campbell, President, BP Russia; C. Palasciano, CEO Enel Russia; M. Shirokov, CEO PAO "Unipro". A. Inyutsyn, RF Energy Deputy Minister, took part in the panel.

ENERGY EFFICIENCY COMMITTEE

AIM(S)	<ul style="list-style-type: none"> • To increase energy efficiency (EE) business opportunities for AEB members; thereby contributing to a sustainable EE development in Russia. • To formulate and promote the AEB position on EE in Russia. • To inform and educate AEB members about EE developments in Russia. 	
CHAIRPERSON	Bashir Chalabi , Senior Advisor for Energy Efficiency and Environment, Promaco TIAR	
AEB MEMBER COMPANIES	ABB; AERECO; Baker McKenzie; BASF; Bayer; BP; BSH Group; CMS Russia; Deloitte; Electricite de France; ENGIE; EY (CIS) B.V.; ESYLUX GmbH; Equinor Russia AS; Gasunie; GE; IKEA; Legrand; Lighthouse Group; Noerr; PBN Hill+Knowlton Strategies; Promaco TIAR; Saint-Gobain; Schneider Electric; Siemens; Total E&P Russie; Unipro; Uponor.	
NUMBER OF COMMITTEE MEETINGS	2	
AEB OPEN EVENTS ORGANISED	AEB events	Date
	Round Table "Environment National Project: Opportunities for Modernisation of the Russian Industry"	18.06.2019
	AEB external events	
	External meeting on renovation at the Moscow government (jointly with the Construction Industry & Building Materials Suppliers and Real Estate Committees)	05.03.2019

COMMITTEE ACTIVITIES, 2019

The Committee was in charge of the preparation of the fourth edition in 2019 of the Business Quarterly "Sustainability: creating benefit for businesses and communities". The publication contains contributions from some of the leading policy makers from Russia and Central Asia, including representatives of the Russia's Ministry of Industry and Trade, the Russian Environmental Operator and the Extended Producer Responsibility Operator of Kazakhstan. Major inputs were made by experts representing European companies operating on the Russian market. Topics covered in the issue include creation of the waste management system in Russia; extended producer responsibility (example of Kazakhstan); sustainable cities development; export potential of Russian paint and coating industry; energy efficiency; the system of collecting waste batteries in Russia.

FINANCE & INVESTMENTS COMMITTEE

AIM(S)

The mission of the Finance & Investments Committee is to assist in and contribute to the ongoing improvement of Russia's investment climate by integrating information and discussions related to critical finance issues of prime importance for foreign companies working in Russia. The Committee serves as a forum for discussion and lobbying, as well as a platform for the exchange of information and ideas concerning finance and investments issues.

CHAIRPERSON

Stuart Lawson, Senior Advisor, EY

AEB MEMBER COMPANIES

ABB; ALD Automotive LLC; ALRUD Law Firm; American Express Bank; American Institute of Business and Economics; Antal Russia; Arval; Auto Partners; AVIS Russia (Bilantilia Corp., duly authorized representative of Avis in the territory of the Russian Federation); Baker Botts L.L.P.; BEITEN BURKHARDT Moscow; BMW Russland Trading; Borenienus Russia; BRAND & PARTNERS LLC; Caterpillar Eurasia LLC; Chadbourne & Parke LLP; Citibank AO; Credendo – Ingosstrakh Credit Insurance LLC; Creon Capital S.a.r.l; Danske Bank Russia; De Lage Landen Leasing; Debevoise and Plimpton LLP; Deloitte CIS; Dentons; Deutsche Bank Ltd.; Drees & Sommer; Egorov Puginsky Afanasiev & Partners (EPAM); Euler Hermes; European Bank for Reconstruction and Development (EBRD); Experian; EY; FCA Russia; Finexpertiza; G-TEAM Russia; Generali Russia & CIS; Gerald Sakuler (individual member); HeidelbergCement Rus; HELLENIC BANK PCL; Hino Motors, LLC; HOGAN LOVELLS (CIS); HSBC Bank (RR) OOO; Hyundai Truck and Bus Rus LLC; IBFS Europe GmbH; Inchcape Holding LLC; ING Wholesale Banking in Russia; Intermark Auto; INVESTMENT COMPANY IC RUSS-INVEST; John Deere Rus, LLC; Kia Motors Rus; Knauf Group CIS (OOO Knauf Gips); KPMG AO; LeasePlan Rus; LegalLife Diaz Reus; Legrand Group; LEROY MERLIN Russia; Lincoln International CIS Holding B.V., Branch in Moscow; MAI Insurance Brokers; MAN Truck & Bus RUS LLC; Mannheimer Swartling Ryssland Advokataktiebolag; Marsh – Insurance Brokers; Mazars; Mercedes Benz Financial Services Rus OOO/Mercedes-Benz Bank Rus OOO/Mercedes-Benz Capital Rus OOO; Mercedes-Benz Russia; MonDef; MosFirst LLC; MOST SERVICE, member of Bruck Consult; Natixis Bank JSC; NOBLE HOUSE Group Russia; Noerr OOO; Norton Rose Fulbright (Central Europe) LLP; OTP Bank JSC; PEAC Leasing AO; Pepeliaev Group, LLC; Peugeot Citroën Rus (Groupe PSA); PwC; Raiffeisen-Leasing; Raiffeisenbank AO; Renaissance pensions JSC NSPF; Rödl & Partner; Rosbank; Rosbank Leasing; Russian Management Hotel Company Ltd; SANOFI-AVENTIS REP OFFICE; Scania-Rus LLC; Schneider Electric; SCHNEIDER GROUP; Segula Technologies Russia LLC; SERVIER; Tikkurila; TMF Group; UniCredit Bank AO; Uponsor; Urus Advisory Ltd.; Vaillant Group Rus LLC; VEGAS LEX Advocate Bureau; Viruni Capital Partners; VISA; Volvo Cars; Volvo Vostok NAO; YIT; ZURICH RELIABLE INSURANCE, JSC.

NUMBER OF COMMITTEE MEETINGS

6

AEB OPEN EVENTS ORGANISED

AEB events	Date
Open event "The Damocles sword: sanctions, what to expect next"	21.03.2019
Presentation of the results of the survey "Strategies and prospects for European companies in Russia" (in Moscow)	30.05.2019
Presentation of the results of the survey "Strategies and prospects for European companies in Russia" (in St. Petersburg)	04.06.2019
Open event "Nothing to worry about??? Economy and sanctions"	11.10.2019
Briefing by Alexander Khurudzhi, Public Ombudsman for Protection of Rights of Entrepreneurs in Custody	18.11.2019
Briefing by Annette Kyobe, Resident Representative of the International Monetary Fund in the Russian Federation	04.12.2019
Sobyanin S.S., Mayor of Moscow; Liksutov M.S., Deputy Mayor of Moscow, Head of the Department on Transport and Infrastructure of Moscow; Kulbachevskiy A.O., Head of Environmental Management Department of Moscow, on proposals on fines for parking on lawn in Moscow	30.04.2019
Lyubimov Y.S., Deputy Chief of Staff of the Government, on proposals for the "regulatory guillotine" mechanism	30.05.2019
Zhivulin V.A., Deputy Minister of Economic Development, on the AEB annual survey results and a copy of proposals for the "regulatory guillotine" mechanism	05.06.2019
Oreshkin M.S., Minister of Economic Development, Artemiev I.Y., Head of the Federal Antimonopoly Service, on request for a foreword and an article for the AEB guide "How to invest in Russia"	19.06.2019
Aksakov A.G., Chairman of the State Duma's Committee for Financial Market, on comments and proposals to the draft Law No. 582426-7 amending the Law 115-FZ on anti-money laundering (in part of improvement of obligatory control)	20.06.2019
Nezlobin V.E., Director of the Department for Regulatory Assessment, Ministry of Economic Development, on comments and proposals on FZ 01/05/06-18/00081764 "On mandatory requirements" related to the regulatory guillotine	28.06.2019
Akimov M.A., Deputy Prime Minister, on issues in full-service automotive leasing and proposal to create a working group	03.07.2019

AEB OPEN EVENTS ORGANISED

Kolychev V.V., Deputy Minister of Finance, on comments on draft laws introducing criminal liability for dissemination of information which promotes sanctions	05.07.2019
Chikhanchin Y.A., Director of the Federal Financial Monitoring Service, on comments and proposals to the draft Law No. 582426-7 amending the Law 115-FZ on anti-money laundering	17.07.2019
Moiseev A.V., Deputy Minister of Finance of Russia; Chistyukhin V.V., Deputy Governor of the Central Bank, on proposals for improvement of leasing legislation	17.07.2019
Konovalov A.V., Minister of Justice, on participation in development of the new concept of the Code on Administrative Offences	23.07.2019
Livadny P.V., Deputy Director of the Federal Service for Technical and Export Control of Russia; Skobelkin D.G., Deputy Governor of the Central Bank, on proposals to improve the anti-money laundering issues in part of leasing and the draft Law No. 582426-7	14.08.2019
Lyubimov Y.S., Deputy Chief of Staff of the Government, on proposals for the composition of the Guillotine Working Group in the sphere of road traffic safety and automobile transport	21.08.2019
Lyubimov Y.S., Deputy Chief of Staff of the Government, on proposals for the composition of the Guillotine Working Group in the sphere of collection activities	05.09.2019

COMMITTEE ACTIVITIES, 2019

In 2019 the Finance & Investments Committee devoted a lot of efforts to participating in various legislation amendment initiatives, as well as in the "regulatory guillotine" and "business climate transformation" exercises, two of the country's hallmark projects aimed at improving domestic legislative framework and the ease-of-doing-business environment.

Thus, in May FIC issued proposals for the "regulatory guillotine" initiative, in July-August it submitted (jointly with AEB Automobile Manufacturers Committee) proposals for the composition of two working groups under the "regulatory guillotine" framework – WG on Road Traffic Safety & Automobile Transport and Debt Collection WG.

In July 2019 it elaborated and presented proposals for the "Business Climate Transformation" project.

Three letters issued in June-August contained proposals for improving the draft Law No. 582426-7 amending the anti-money laundering Law 115-FZ.

In June the Committee participated in developing the new concept of the Code of Administrative Offences.

The Committee held a number of open events. Two of the open meetings discussed sanctions, counter sanctions, their impact on targeted economies and the outlook for the Russian and European economies.

FOOD PROCESSING COMMITTEE

AIM(S)	<ul style="list-style-type: none"> • To bring together and represent common interests of its members – food processing and ingredients' producing companies. • To contribute to improvement of regulatory framework of the food processing industry through governmental liaison and lobbying activities. • To promote international healthy nutrition standards. 	
CHAIRPERSON	Marina Balabanova , Regional VP Corporate Affairs CIS, Danone	
AEB MEMBER COMPANIES	Bonduelle; Cargill; Danone; DSM; DuPont Science & Technologies; Ferrero Russia; Herbalife Nutrition; Nestle Rossiya; Perfetti van Melle; Podravka; SAF-Neva; Zentis Russland.	
NUMBER OF COMMITTEE MEETINGS	16	
AEB OPEN EVENTS ORGANISED	AEB external events	Date
	Panel discussion on healthy nutrition during the "Healthy Life Forum" in Sochi	13.02.2019

COMMITTEE ACTIVITIES, 2019

In 2019, the Committee's activities were focused on delivering the industrial position to the relevant authorities on the following issues:

- introduction of mandatory electronic veterinary certification;
- veterinary control and certification rules in the Customs Union concerning specialised nutrition projects;
- cash register equipment usage in online payments;
- the circulation of organic products in connection with the entry into force of the new law on organic products labelling;
- inclusion of milk products and mineral water into track & trace system.

Committee members were included into relevant working groups on "regulatory guillotine" at executives' and experts' levels.

HEALTH & PHARMACEUTICALS COMMITTEE

AIM(S)	To consolidate, coordinate and protect interests of AEB member companies working in the health and pharmaceutical industry.	
CHAIRPERSON	Yury Litvishchenko , General Manager, Chiesi Pharmaceuticals	
DEPUTY CHAIRPERSON(S)	Ivan Glushkov , Deputy General Director, Stada	
AEB MEMBER COMPANIES	Angelini Pharma Rus; Astellas Pharma; Astra Zeneca Pharmaceuticals; Bayer; Bionorica; Boehringer Ingelheim; Chiesi Pharmaceuticals; DSM Group; DuPont Science and Technologies; EGIS Pharmaceuticals; Esparma GmbH; Fidia Pharma Russia; GlaxoSmithKleine; Lundbeck; Merck; Novartis Group Russia; Novo Nordisk A/S; Orion Pharma; Philips; Dr. Reddy's; Sanofi Russia; SCA Hygiene Products Russia; Servier; Stada CIS; Takeda Pharmaceutical.	
NUMBER OF COMMITTEE MEETINGS	10	
AEB OPEN EVENTS ORGANISED	AEB external events	Date
	"Healthy Life Forum" (jointly with the Food Processing Committee)	13.02.2019
	Round table "Health and Pharmaceuticals" at the Northern Dimension Business Forum	04.04.2019
	Meeting with Tsyb S.A., Deputy Minister of Industry and Trade, on drug track & trace system	16.07.2019
	Participation in the State Duma Healthcare Committee Expert Council meeting on drug track & trace system implementation	20.10.2019

COMMITTEE ACTIVITIES, 2019

In 2019 the following issues were on the radar of the Committee's activities: patient-oriented healthcare model; vital and essential medicines pricing methodology; OTC drugs advertising rules; localisation; implementation of medicines' track & trace system; distant trade – to name just a few.

The Working Group on Medical Devices focused its activities on the following issues: medical devices registration and decriminalisation of process; localisation, SPIC 2.0; service contracts; trade-in model for state procurement; catalogue of goods for state procurement.

In 2019 the Committee continued its dialogue with the major stakeholders: the Federal Antimonopoly Service, Ministry of Industry and Trade, the State Duma Committee for Healthcare and Roszdravnadzor. Committee members held a series of meetings with Sergey Tsyb, Deputy Minister of Industry and Trade, as well as the Centre for Advanced Technologies Development (CRPT) that

was appointed an operator of traceability system and discussed the implementation of track & trace project for the pharmaceuticals industry. The issue was also raised at the State Duma expert council meetings at which Committee members were invited to speak.

Following a briefing by Igor Artemiev, Head of the Federal Antimonopoly Service, in May 2019, the Committee established two joint working groups with FAS – one on pharmaceuticals matters and another one on medical devices matter. Both groups have been led by Timophey Nizhegorodtsev, Head of the Department of Control of Social Sphere and Trade.

In 2019 the Committee enhanced the cross-committees cooperation. In February 2019, members of the Committee took part in the "Healthy Live" Forum jointly with the Food Processing Committee. In Q3, 2019 four Committees (Health & Pharmaceuticals, Retail Trade, Food Processing and SHES) prepared a "Business Quarterly" magazine devoted to healthy living matters.

In 2019 the Committee was actively involved in "regulatory guillotine" meetings. The Committee Chairman Yury Litvishchenko took part in four meetings of the working group "Pharmaceuticals and medical devices" for the period of November-December 2019.

HOME APPLIANCES MANUFACTURERS COMMITTEE

AIM(S)	<ul style="list-style-type: none"> • To monitor legislative changes and inform Committee members. • To improve business environment for European companies in Russia. 					
CHAIRPERSON	Bülent Ayar , BSH Russia (January–August 2019)					
AEB MEMBER COMPANIES	Ariston Thermo Rus; BEKO; Brother; BSH Bytowije Pribory; Delonghi; Electrolux; Groupe SEB-Vostok; Liebherr; Mitsubishi Electric; Philips; Procter & Gamble; Samsung; Whirlpool.					
NUMBER OF COMMITTEE MEETINGS	7					
AEB OPEN EVENTS ORGANISED	<table border="1"> <thead> <tr> <th>AEB events</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Meeting with Roskachestvo (Russian Quality Testing Organisation) on kettle testing methods</td> <td>15.08.2019</td> </tr> </tbody> </table>	AEB events	Date	Meeting with Roskachestvo (Russian Quality Testing Organisation) on kettle testing methods	15.08.2019	
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COMMITTEE ACTIVITIES, 2019

In 2019 the AEB Home Appliances Manufacturers Committee among others focused on the issues, mentioned by the members as the most important – energy efficiency labelling, technical regulations, waste management, restriction of hazardous substances regulations, test management and independent product testing; likewise it enhanced its international cooperation.

In 2019 the AEB participated as a full member in the 6th meeting of the International Roundtable of Household Appliance Manufacturer Associations (IRHMA) – an informal global forum within which the household appliance industry can discuss global challenges and issues. The Roundtable brings together representatives of home appliance sector from across the globe.

In 2019 the Committee held a series of CEO-level and expert-level meetings. Apart from this, the Committee members were actively involved in discussions on household appliance testing methods with the representatives of Roskachestvo (Russian Quality Testing Organisation) and the Eurasian Economic Commission. The representatives of the Committee spoke at the 4th WEEE Solutions Congress and discussed recent trends of household appliance recycling trends.

A new topic that appeared on the radar of the Committee's agenda is the so-called "documentary traceability" – a new initiative of traceability of imported goods via invoice and shipping documents that is expected to become mandatory from July 2020. The list of goods is limited: refrigeration and freezing equipment, washing machines and drying machines, monitors and projectors and integrated electronic circuits.

HOTELS & TOURISM COMMITTEE

AIM(S)	<ul style="list-style-type: none"> • To consolidate, coordinate and lobby for the interests of AEB member companies working in the tourism and hotel industries. • To exchange information on best practices and the challenges for business on the Moscow hotels market. 																				
CHAIRPERSON	Armin Eberhard , General Manager, Renaissance Moscow Monarch Centre Hotel																				
AEB MEMBER COMPANIES	Ararat Park Hyatt Hotel; Azimut Smolenskaya Hotel Moscow; Barvikha Hotel & Spa; Hotel Baltshug Kempinski Moscow; Hyatt Regency Moscow Petrovsky Park; Lotte Hotel Moscow; Lotte Hotel St. Petersburg; Marriott Novy Arbat; Metropol Moscow Hotel; Mercure Arbat Moscow Hotel; NOVOTEL MOSCOW CITY; Radisson Collection Hotel; Renaissance Moscow Monarch Centre Hotel; Ritz Carlton Hotel; Russian Management Hotel Company (ACCOR Russia - CIS); Swissotel.																				
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AEB OPEN EVENTS ORGANISED	Meeting with Moscow Tourism Committee, Moscow Migration Directorate, Moscow Committee for investments, on migration registration of guests in hotels	16.08.2019
	Meeting with the representatives of the Moscow Tourism Committee to discuss the outcomes of the MICE agencies visit to Moscow and further cooperation between AEB and the Moscow Government on development of MICE business in Moscow	23.08.2019
	Meeting with the Ministry of Digital Development, Communications and Mass Media, Ministry of Internal Affairs, Moscow and Moscow region Government representatives, on electronic programmes of the data transmission and registration of the guests in the hotels	17.09.2019

COMMITTEE ACTIVITIES, 2019

On April 5, the AEB together with the Committee for Tourism Development of St. Petersburg organised a meeting of the General Managers of the hotels in St. Petersburg with the government authorities of the city.

The meeting was opened by the Chairman of the Committee for Tourism Development, Evgeny Pankevich, who welcomed the participants. The AEB CEO Frank Schauff presented the main activities of the AEB in the hotel and tourism area and hoped for a long-term fruitful cooperation of the AEB, hotels in St. Petersburg and the city government.

The representatives of the government of St. Petersburg presented the main changes in the tourism and hotel sector regulatory system, mandatory classification of objects in the tourist industry. Further, they briefly presented the main events of the city planned for 2019.

The representative of the Investment Committee of St. Petersburg briefed on the main areas/objects/landplots for possible investments in the development of hotel infrastructure facilities in St. Petersburg.

At the end of the meeting the participants discussed the programmes and projects that might be implemented jointly by the government of the city and the hotels, marketing efforts to attract tourist flow to the city.

On August 19-21, five German MICE agencies headed by the tour leader Ivo Baumann (Partner, Incentive Congress Journal) visited Moscow to learn more about MICE opportunities in the capital of the Russian Federation. The programme of the two-days visit on 19-20 August was organised by the AEB Hotels & Tourism Committee together with the partner – Intourist. Within the programme, the guests could enjoy Moscow sightseeings: the Kremlin, the Red Square, GUM, Novodevichy Convent, VDNKh, VTB Arena, Luzhniki Park and Stadium, as well visited venues of Moscow luxury hotels and tasted delicious lunches, especially prepared for the guests by hotels' Chefs de Cuisine.

On August 20, the AEB Hotels & Tourism Committee organised an open event "Moscow as a perspective destination for MICE business". The event was devoted to MICE facilities of Russia and the ways to promote Moscow as a promising destination for MICE business and business tourism in a whole.

The first part of the event included presentations of the Moscow government, Rostourism, Intourist regarding Moscow MICE, and then several large European MICE agencies presented their activities.

During the meeting the representatives of MICE agencies and AEB member companies were able to exchange contacts, practical information and best practices.

On 23 August, the AEB Hotels & Tourism Committee met with the representatives of the Moscow Tourism Committee to discuss the outcomes of the MICE agencies' visit to Moscow and further cooperation between the AEB and the Moscow government on development of MICE business in Moscow.

On September 14, Armin Eberhard, AEB Hotels & Tourism Committee Chairman, and Committee members took part in the on-site programme organised by the Moscow government within the 23rd session of the United Nations of the World Tourism Organisation (UNWTO) General Assembly, which for the first time was held in St. Petersburg.

The first session within the Moscow programme comprised the Moscow event calendar presentation for 2020, presentations of VDNKh, Tsaritsino, tour agency "Moscow museums" and other tour operators about activities planned in Moscow in 2020.

The plenary session was opened by the presentation of Moscow tourism opportunities by Natalia Sergunina, Moscow Deputy Mayor, and a welcome speech by Zurab Pololikashvili, Secretary-General of the World Tourism Organisation (UNWTO). During the plenary session discussion the high-level experts in tourism talked about the sustainable development of tourism industry, ecotourism, adventure tourism and importance of tourism for connectivity and economic growth.

Vyacheslav Fetisov in a new role as UNWTO Ambassador introduced the activity plan in the field of tourism and underlined importance of strong relationship/cooperation between human society and its activities in the field of tourism and environment.

HUMAN RESOURCES COMMITTEE

AIM(S)	<ul style="list-style-type: none"> • To develop Russia’s HR market. • To lobby for the members’ interests with all necessary governmental and legislative bodies. • To keep business circles and government institutions in Russia aware of the current state of affairs in this sphere. • To develop solutions to the HR-related issues faced by foreign companies. • To promote the exchange of experiences between foreign and Russian HR specialists. • To assist AEB members in expanding their network and helping companies adapt, in general, to the Russian business environment.
CHAIRPERSON	David Gilmartin , Founder & CEO, Troika Relocations
DEPUTY CHAIRPERSON(S)	Irina Aksenova , Deputy General Manager, Key Accounts, Coleman
AEB MEMBER COMPANIES	<p>Accenture; AIG Insurance Company; Air France; ALD Automotive; Alinga Consulting; Allianz ICO; Alrud Law Firm; Alstom Transport Rus; American Institute Of Business And Economics; Ancor; Andrey Gorodissky And Partners Law Firm; Angelini Pharma Rus; Antal Russia; Astrazeneca Pharmaceuticals; Atlas Copco; Auchan Russia; Baker Mckenzie; Bayer; Beiten Burkhardt Moscow; Bonduelle-Kuban; BP; British American Tobacco Russia; Bryan Cave Leighton Paisner (Russia); BSH Bytowyje Pribory; Business Psychologists Ltd. (CEB SHL Russia & CIS); Cargill; CBSD/Thunderbird; Chevron Neftegaz Inc. Moscow Branch; Chiesi Pharmaceuticals; Citibank; Coleman Services UK; Continental Tires RUS; Credit Agricole CIB; Creon Capital S.a.r.l; Danske Bank Russia; Delegation of the European Union; Delonghi; Deutsche Bank Ltd.; DHL Express; DHL Global Forwarding; DSM; Embassy of the United Kingdom; Epiroc Rus; Equinor Russia AS; Ericsson; Euler Hermes; EY; FENICE RUS; Ferronordic Machines; Foodcard; Gasunie; Gfk Rus; H&M Hennes & Mauritz; Hellenic Bank PCL; Henkel Rus; Hino Motors; Honda Motor RUS; HSBC Bank (RR); Hyundai Motor CIS; IE Business School; Ikea Dom; ING Wholesale Banking in Russia; Intermark Relocation; IWM; John Deere Rus; Danone Russia; KBS International S.A.; KPMG; Legrand; Leroy Merlin Russia; M.Video; MAI Insurance Brokers; Manpowergroup Russia & CIS; Marsh - Insurance Brokers; Mazars; Mazda Motor Rus; Mercuri International; Metro AG; Michelin MMC Rus; Morgan Lewis; Move One INC; Navien Rus; Noble House Group Russia; Nordea Bank; Norton Rose Fulbright (Central Europe); Novartis Group Russia; OBI Russia; Orange Business Services; Oriflame; Orion Pharma; Pepeliaev Group; Peugeot Citroën Rus (Groupe PSA); Philip Morris Sales and Marketing; Porsche Russland; PPG Industries; PwC; Renault Russia; Repsol Exploracion S.A.; Richemont; Robert Bosch; Rockwool; Rödl & Partner; Russian Management Hotel Company Ltd; Safmar NPF; Schneider Group; Segula Technologies Russia; Servier; Shell Exploration and Production Services (RF) B.V.; Siemens; Signify; Specta; Total Vostok; Troika Relocations Ltd.; Tsar Voyages; Unipro; Uponsor; Vaillant Group Rus; Viessmann; VISA; Volkswagen Group Rus; Volvo Vostok.</p>
NUMBER OF COMMITTEE MEETINGS	6

	AEB events	Date
AEB OPEN EVENTS ORGANISED	Internal Recruitment Processes	25.01.2019
	2018 Trends of the Remuneration System Optimisation	21.01.2019
	Salary survey and key HR benchmarks	28.02.2019
	Health and safety regulation in Russia: experience of European companies (jointly with the Safety, Health, Environment & Security Committee, Retail Trade Committee)	27.03.2019
	HR in Technologies & Technologies in HR	02.10.2019
	Lecture by Dr. Mark Esposito (IE Business School) "At Home, in the Artificial Intelligence Republic"	24.10.2019
	Talent management and mobility. Corporate identity	11.12.2019

COMMITTEE ACTIVITIES, 2019

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

The Recruitment Subcommittee arranged the following open events:

- "Internal Recruitment Processes" (25.01);
- "HR in Technologies & Technologies in HR" (02.10);
- lecture by Dr. Mark Esposito (IE Business School) "At Home, in the Artificial Intelligence Republic" (24.10).

The Compensation and Benefits Subcommittee arranged the following open events:

- "2018 Trends of the Remuneration System Optimisation" (31.01);
- "Salary Survey and key HR benchmarks" (28.02).

The Assessment, Training and Development Subcommittee arranged the following open event:

- "Talent management and mobility. Corporate identity" (11.12).

INSURANCE & PENSIONS COMMITTEE

AIM(S)	To level the playing field between local and foreign operators in the insurance and pensions sectors, and to provide direct technical policy advice to European and Russian government officials.	
CHAIRPERSON	Alexander Lorenz , Chairman of Advisory Council, Head of International Desk, Safmar NPF AO	
DEPUTY CHAIRPERSON(S)	Vladimir Sukhinin , Advisor to the CEO, BNP Paribas CARDIF Insurance Company	
AEB MEMBER COMPANIES	AIG Insurance Company, JSC; Allianz IC OJSC; BNP Paribas CARDIF Insurance company; Chubb Insurance Company, LLC; CMS Russia; Credendo – Ingosstrakh Credit Insurance LLC; Euler Hermes; EY; General Reinsurance AG; Generali Russia & CIS; MAI Insurance Brokers; MetLife JSC; Norton Rose Fulbright (Central Europe) LLP; Renaissance pensions JSC NSPF; SAFMAR NPF AO; SCOR Moscow Representative Office; SOCIETE GENERALE Strakhovanie Zhizni LLC; SOGAZ Insurance Group; Tinkoff Online Insurance, JSC; VSK Insurance House (SAO VSK); Zetta Insurance Company Ltd.; ZURICH RELIABLE INSURANCE, JSC.	
NUMBER OF COMMITTEE MEETINGS	12	
AEB OPEN EVENTS ORGANISED	AEB events	Date
	Open event on online insurance	09.04.2019
	Conference "State insurance supervision efficiency in a frame of a new solvency regulation"	13.09.2019
	Business Conference "Pension reform: in search of stability and clarity"	17.12.2019

COMMITTEE ACTIVITIES, 2019

In 2019 the Committee was represented in a number of high-level meetings involving Russia's Central Bank and Ministry of Finance officials and engaged in correspondence on various issues including law amendment and clean-up initiatives. Also, the Committee's delegates participated in a meeting with the officials of Slovenian and Macedonian Insurance Supervision Agencies held in September 2019.

The letters issued by the Committee last year contained: comments to the draft Law on partial compensation of insurance payments for early loan repayment; requests for clarification on various insurance issues; comments to the draft Law on currency regulation; comments to the draft Law on Russia's insurance-related obligations arising in conjunction with its WTO membership; comments to the draft Law on insuring commercial risks; comments and proposals to: (i) the draft Law No. 582426-7 amending the anti-money laundering law 115-FZ; (ii) the draft Law No. 617880-7 on marketplace and (iii) draft Law No. 685368-7 in part addressing admission of insurance intermediaries to e sales.

Last year the Committee held a number of open events including the business conference "Pension Reform: In Search of Stability and Clarity", which was sponsored by Safmar PPF, JSC and took place on 17 December.

INTELLECTUAL PROPERTY COMMITTEE

AIM(S)

- To monitor changes in IP legislation of the Eurasian Economic Union and to monitor these changes on the national level in Russia.
- To protect the rights of IP right owners and other fair market players and to prevent unauthorised use of intellectual property.
- To monitor the application of the Procedural Codes in respect of the IP-related issues.
- To provide legal support services (informational briefing and seminars, regular legislative updates) for AEB members on IP related issues.
- To undertake expert review of draft AEB letters and policy papers on existing and proposed Russian and Eurasian intellectual property legislation: copyright, patents, trademarks, industrial design rights, utility models, geographical indication, trade secrets, related rights, trade names.
- To undertake expert review of court practice and also to conduct comparative analysis of court practice in Russia and in the European Union.
- To provide a forum for the exchange of information, analysis, and views between AEB members on new developments in Russian and Eurasian laws and legal practice in the area of intellectual property.

CHAIRPERSON

Anton Bankovsky, Partner, CMS Legal

DEPUTY CHAIRPERSON(S)

Pavel Sadovsky, Counsel, Egorov Puginsky Afanasiev & Partners (EPAM)
Igor Sergeev, Brand Protection Specialist, Ford Sollers Holding LLC

AEB MEMBER COMPANIES

Alinga Consulting; Allen & Overy Legal Services; Alpe Consulting; Alrud Law Firm; Andrey Goroditsky And Partners Law Firm; Astrazeneca Pharmaceuticals; Baker Botts; Baker Mckenzie; BASF; Bayer; Beiten Burkhardt Moscow; BMW Russland Trading; Bonduelle-Kuban; Bryan Cave Leighton Paisner (Russia); Castrén & Snellman International Ltd.; Caterpillar Eurasia; CMS Russia; Continental Tires Rus; Credit Agricole Cib; Delonghi; Dentons; DLA Piper; Dupont Science And Technologies; Egorov Puginsky Afanasiev & Partners (EPAM); Electrolux; Eversheds Sutherland Evonik; EY; Ford Sollers Holding; General Motors CIS; Google; Grayling Eurasia; Hogan Lovells (CIS); JETRO; Kia Motors Rus; L'Oreal; M.Video; Mazars; Mercedes-Benz Russia; Michelin; Nissan Manufacturing Rus; Noerr; Novo Nordisk A/S; Pepeliaev Group; Philip Morris Sales and Marketing; Philips; Porsche Russland; Procter & Gamble; PwC; Renault Russia; Rödl & Partner; Rouse & Co. International (UK) Ltd.; Sanofi Russia; Sanofi-Aventis Rep Office; Scania-Rus; Schneider Electric; Schneider Group; Servier; Shevyrev and Partners, Bureau of attorneys; Siemens; Syngenta; Toyota Motor; Vegas Lex Advocate Bureau; Vlasta-Consulting; Volkswagen Group Rus.

NUMBER OF COMMITTEE MEETINGS

4

AEB OPEN EVENTS ORGANISED

AEB events

Date

Conference "Intellectual property rights: recent trends, court practices, problems and solutions"

21.05.2019

COMMITTEE ACTIVITIES, 2019

The Intellectual Property Committee held its annual open event "Intellectual property rights: recent trends, court practices, problems and solutions". The event took place on 31 May 2019 at the Delegation of the European Union to Russia. The conference touched upon key issues in the sphere of intellectual property in Russia, including the overview of legislation improvements, established practices in applying regulatory acts, court practices and much more detailed information and analysis provided by high profile speakers from Rospatent, FAS of Russia, EAEC, IPR Court and international law firms.

IT & TELECOM COMMITTEE

AIM(S)	<ul style="list-style-type: none"> To promote interests of AEB member companies in telecom & IT through governmental liaison and information exchange. To assist AEB members with exchanging best practices, legal and regulatory issues in IT and telecom. 										
CHAIRPERSON	Edgars Puzo , General Director, Atos										
DEPUTY CHAIRPERSON(S)	Ekaterina Rusina , CIO, Siemens Russia Gleb Vershinin , GR Director, SAP CIS										
AEB MEMBER COMPANIES	ABB; Accenture; AIG Insurance Company JSC; ALRUD Law Firm; Antal Russia; Atos; Baker Botts; Baker McKenzie; Bayer; Beiten Burkhardt; Brother; Capital Legal Services; CMS Russia; Coleman Services UK; Deloitte; Dentons; Egorov Puginsky Afanasiev & Partners; Ericsson; EY; General Electric; Google Russia; HSBC Bank; IKEA; JTI; Liniya Prava Law Firm; Mikenopa; Morgan Lewis; Noerr; Nokia Solutions & Networks; Orange Business Services; Pepeliaev Group; Philips; PwC; Qmatic; SAP CIS; SCHNEIDER GROUP; Siemens LLC; TeliaSonera International Carrier; Tieto; VEGAS LEX Advocate Bureau.										
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COMMITTEE ACTIVITIES, 2019

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

Year 2019 was rather fruitful and eventful for the IT & Telecom Committee: 4 open events for AEB members were held. All of them were very well attended and provoked a lively interest from AEB members (such companies as Law Firm ALRUD, Atos IT Solutions & Services, Baker Mc Kenzie, BEITEN BURKHARDT, East Europe Nokia Ericsson, Orange Business Service, SAP C.I.S, SCHNEIDER GROUP, VEGAS LEX GROUP brought their expertise and analysis).

The relations with Roskomnadzor, an important governmental body, were maintained and developed – the Committee Chairman spoke at the panel session of the X International Conference on Personal Data Protection on 07.11.2018, on “Personal Data: Experience of European Companies”.

The Committee developed its contacts with key Russian government stakeholders, authorities and business circles. The Committee stays as a leader in driving digitalization issues within the AEB exploring during its open events different aspects of this complicated process.

The Committee Chairman E. Puzo met with the Governors of the Lipetsk and the Voronezh regions to discuss the development of the IT sector in the regions. Like in previous years, the active work with the EU Delegation to the RF was carried out (by E. Puzo and G. Vershinin); there was cooperation with the RSPP and its Committee for Digital Economy – the Committee management and Committee members participated in several meetings organised by RSPP.

The Committee invited the following speakers to its meetings: Leonid Konik, CEO and Editor-in-Chief, ComNews, who spoke about digital transformation. “Sharing Economy as a New Driver for Internet Economy Growth: Trends in Russia and the EU” was the title of the presentations made by Kim Tjoa, Co-Founder, FLOOW2, and Anton Gubnitsyn, Head of Moscow Office, Promaco TIAR, Chair of the Sharing Economy Cluster at RAEC. The Committee members discussed SPIC 2.0 for IT & telecom industry and European companies with the representative of the Ministry of Economic Development R. Abulmambetov, Head of the Division for Analysis and Monitoring of Industry Strategic Planning Documents.

Among the Committee’s priorities are the relations with the Internet Ombudsman Dmitry Marinichev who met with the Committee members in September 2019.

Upon the request of the AEB and Committee members, the last Committee meeting of the year was devoted to the burning issue of the sovereign Runet in questions and answers presented by V. Perevalov, Associate, Baker McKenzie.

LEGAL COMMITTEE

AIM(S)

- To provide legal support services (informational briefings and seminars, legislation updates) to AEB members.
- To participate in Russian legislation proceedings in the interest of AEB members.
- To promote the exchange of practical experience of companies related to different legal aspects of the development of legislation in Russia and EU countries.
- To provide a forum for the exchange of information, analysis and views between AEB members on new developments and legal practice.
- To prepare recommendations for Russian legislation, i.e. encourage the implementation and application of existing international standards.
- To participate in the Russian legislation procedure by presenting international experience, and lobbying for the interests of AEB members and holding open discussions, sharing the best practices of AEB members with the Russian authorities.

CHAIRPERSON

Sergey Krokhalov, Partner, Baker McKenzie

AEB MEMBER COMPANIES

ABB; Advocates Bureau Yug; Akzo Nobel N.V.; ALD Automotive LLC; Alinga Consulting; Allen & Overy Legal Services; ALRUD Law Firm; Andrey Gorodissky And Partners Law Firm; AstraZeneca Pharmaceuticals LLC; Atlas Copco, JSC; Atos; Auchan Russia; Baker Botts L.L.P.; Baker McKenzie; BASF; BEITEN BURKHARDT Moscow; BMW Group Russia; Borenius Russia; BP; Bryan Cave Leighton Paisner (Russia) LLP; Capital Legal Services; Carnelutti Russia; Caterpillar Eurasia LLC; Clifford Chance; CMS Russia; Coleman Services UK; Danone Russia; Danske Bank Russia; Dentons; DLA Piper; DuPont Science and Technologies; Egorov Puginsky Afanasiev & Partners (EPAM); EkoNiva-Technika Holding, LLC (part of EkoNiva group); Eversheds Sutherland; EY; Ford Sollers Holding LLC; General Motors Russia & CIS LLC; GROUPE SEB-VOSTKO ZAO; HeidelbergCement Rus; Henkel Rus OOO; HSBC Bank (RR) OOO; IKEA Centres Russia; Jungheinrich Lift Truck; JURALINK; Kia Motors RUS, LLC; KPMG AO; L'Oreal; LegalLife Diaz Reus; Legrand Group; M.Video; Mannheimer Swartling; Mazars; Merck LLC; MetLife JSC; MOL-Russ LLC; Morgan Lewis; Nissan Manufacturing RUS; NOBLE HOUSE Group Russia; Noerr OOO; Nokia; Nordea Bank; Norton Rose Fulbright (Central Europe) LLP; Novo Nordisk A/S; Orange Business Services; Oriflame; Orrick (CIS) LLC; Pepeliaev Group, LLC; Philip Morris Sales & Marketing; Philips LLC; Porsche Russland; PPG Industries LLC; Procter & Gamble; Peugeot Citroen Rus (Groupe PSA); PwC; Renault Russia; Repsol Exploracion S.A.; Robert Bosch OOO; Rödl & Partner; Rouse & Co. International (UK) Ltd.; Sanofi Russia; Scania-Rus LLC; Schulze, Brutyan and Partners LLC; SECRETAN TROYANOV SCHAER S.A.; Shell Exploration and Production Services (RF) B.V.; Shevyrev and partners, Bureau of attorneys; Siemens LLC; SOCIETE GENERALE Strakhovanie Zhizni LLC; SOLLERS PJSC; Stada CIS; Syngenta; Tinkoff Online Insurance, JSC; TMF Group; Toyota Motor; United Technologies International Operations, Inc.; Vaillant Group Rus LLC; VEGAS LEX Advocate Bureau; Vinson & Elkins L.L.P.; VISA; VOLKSWAGEN Group Rus OOO; Volvo Cars LLC; Zetta Insurance Company Ltd.; ZURICH RELIABLE INSURANCE, JSC.

NUMBER OF COMMITTEE MEETINGS

5

AEB OPEN EVENTS ORGANISED	AEB events	Date
	Joint open event on Paris Agreement (with the Climate Policy WG within the SHES Committee)	19.12.2019
	AEB external events	Date
	Participation of the Committee expert in St. Petersburg International Legal Forum 2019	14-18.05.2019

COMMITTEE ACTIVITIES, 2019

In 2019, the Legal Committee commented on such important issues as draft law on counter measures to the unfriendly actions of the USA and other foreign countries – namely, by sending three letters to the State Duma representatives, as well as Alexander Shokhin, RSPP President. Another important lobbying topic was the law “On protection of consumer rights” and related initiatives, such as non-reduction of fees for companies.

The Committee did not deal with the SPIC issue in 2019, since there were no developments and no clarity in this regard.

Another hot topic was the Paris Agreement ratified by Russia in 2019 which was a motive to organise a joint event with the Climate Policy WG.

MACHINE BUILDING & ENGINEERING COMMITTEE

AIM(S)	<ul style="list-style-type: none"> • To take part in governmental policy making, in the areas related to the power and machine building industries, in an attempt to create clear rules to promote the development of a market where all participants have equal rights. • To initiate changes in environmental legislation, taking into account the stringent environmental requirements of consumers, resulting in a better performance of power stations and implementation of new technologies. • To render support to the Committee member companies operating in Russia. • To monitor the development of the machine building market in Russia. • To facilitate the exchange of information and international experience in the field of machine building, which can subsequently be applied to the Russian environment. 				
CHAIRPERSON	Philippe Pegorier , President, Alstom Russia				
DEPUTY CHAIRPERSON(S)	Mikhail Turundaev , Business Development, Schneider Electric				
AEB MEMBER COMPANIES	ABB; Alstom Russia; Atlas Copco, JSC; BEITEN BURKHARDT; Bryan Cave Leighton Paisner (Russia) LLP; Caterpillar Eurasia LLC; Deloitte; DLA Piper; Dow Europe GmbH Representation office; GE; John Deere Rus, LLC; LegalLife Law Firm; Mitsubishi Electric; PwC; Pepeliaev Group, LLC; Radius Group; Robert Bosch OOO; Schneider Electric; Siemens; TABLOGIX; Technology Company Schlumberger LLC; THOST Russia Project Management; VEGAS LEX Advocate Bureau; VR-Group; Wacker Chemie AG.				
NUMBER OF COMMITTEE MEETINGS	4				
AEB OPEN EVENTS ORGANISED	<table border="1"> <thead> <tr> <th>AEB events</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Machine Building Market Trends in Russia 2019</td> <td>23.10.2019</td> </tr> </tbody> </table>	AEB events	Date	Machine Building Market Trends in Russia 2019	23.10.2019
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Machine Building Market Trends in Russia 2019	23.10.2019				
<table border="1"> <thead> <tr> <th>AEB external events</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Round table on machine building in the framework of the 10th Northern Dimension Forum, St. Petersburg (the event was chaired by the Committee Chairman Philippe Pegorier)</td> <td>04.04.2019</td> </tr> </tbody> </table>	AEB external events	Date	Round table on machine building in the framework of the 10 th Northern Dimension Forum, St. Petersburg (the event was chaired by the Committee Chairman Philippe Pegorier)	04.04.2019	
AEB external events	Date				
Round table on machine building in the framework of the 10 th Northern Dimension Forum, St. Petersburg (the event was chaired by the Committee Chairman Philippe Pegorier)	04.04.2019				

COMMITTEE ACTIVITIES, 2019

The AEB Machine Building & Engineering Committee in its activities tries to keep a balance between topics and issues common to representatives of other "neighbour" branches, such as: automobile construction, autocomponents, construction equipment, technical regulation and standardisation trying to act in synergy with other AEB Committees. In 2019, the Committee continued to monitor the development of the Russian machine building market having organised regular open events tackling the most important from the Committee's point of view issues, such as: localisation; import substitution; customs duties; SPICs; foreign investments in Russian production capacities.

In October a traditional round table on the trends of the Russian machine building sector in Russia was organised. Apart from the speakers from the AEB (Atlas Copco, Mitsubishi Electric), it brought together the representatives of the National Industrial Information Agency; MultiSystem Integration; Cathode Materials; Saft Russia; Omron, and Dow-Izolan. At the round table new topics emerged: Industry 4.0; industrial batteries and stores; digital transformation of enterprises; innovative robots.

The Committee invited some external speakers to its meetings: P. Mikhin, RAILCOMP General Director, made a presentation on the activities of his company which is a JV of ASLSTOM and TMH for manufacturing of traction system components for locomotives; K. Bryauzov, Partner, Antal, spoke about the labour market in the machine building in Russia in 2019.

The Committee representatives actively participated in the:

- St. Petersburg Economic Forum (06-08.06);
- INNOPROM (07-10.07);
- Eastern Economic Forum (04-06.09);
- Russian Energy Week, Panel Session organised by the AEB (presenters: A. Liberov, Siemens, and J. Vanderplaetse, Schneider Electric) (02-04.10);
- International Transport and Logistic Forum PRO//Traffic 1520 in Sochi (28-30.10).

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

MIGRATION COMMITTEE

AIM(S)

- To monitor immigration legislation and practice developments in the Russian Federation.
- To promote the exchange of companies' practical experience related to the immigration issues in the Russian Federation (RF) and the European Union (EU) countries.
- To promote information exchange regarding different international practices/policies and their relevance to Russia.
- To build a strong relationship with various immigration and labour authorities to lobby immigration related issues and hold open discussions and share information with AEB member companies.
- To identify the most problematic issues in immigration area that AEB member companies face; address these issues through further discussions with the authorities and resolve them.
- To keep AEB member companies updated on all immigration related activities so as to avoid possible immigration related risks and promote effective business planning.
- To organise meetings/round tables/joint events involving the participation of the Russian state immigration and labour authorities.
- To support the one-window process of documents submission for AEB members.

CHAIRPERSON

Ludmila Shiryaeva, GR Director, Tax & Law, EY

DEPUTY CHAIRPERSON(S)

Ekaterina Elekchyan, Senior Associate, CMS Russia

Alexey Filipenkov, Partner, Visa Delight

Andrey Slepov, Partner, Head of the Labour and Migration Practice of the Moscow office of the BEITEN BURKHARDT law firm

AEB MEMBER COMPANIES

Accenture; Alinga Consulting and Audit; Allen & Overy Legal Services; ALRUD Law Firm; Alstom Russia Ltd.; Andrey Gorodissky And Partners Law Firm; Ararat Park Hyatt Moscow; Baker McKenzie CIS Ltd.; BAT; Bayer AG; BDO; BP; BEITEN BURKHARDT; Bryan Cave Leighton Paisner (Russia) LLP; Cargill LLC; Continental Tires RUS LLC; CMS Russia; Daimler Chrysler AG; Danone Russia; Deloitte; DLA Piper; DuPont Science & Technologies; Enel Russia; EY; Gasunie; HeidelbergCement Rus; IKEA; Intermark Relocation; KPMG; LEROY MERLIN Russia; Liniya Prava Law Firm; L'Oreal; MANNHEIMER SWARTLING; Mazars; Mercedes-Benz Russia; Michelin; Moscow School of Management SKOLKOVO; Move One INC; Nissan Manufacturing RUS; Noerr; Oriflame; Pepeliaev Group; Philip Morris Sales & Marketing; PwC; Repsol Exploracion S.A.; Robert Bosch OOO; ROSBANK; Scania-Rus LLC; SCHNEIDER GROUP; Secretan Troyanov Schaer S.A.; Shell Exploration and Production Services (RF) B.V.; Siemens LLC; Technology Company Schlumberger LLC; TMF Group; THOST Russia Projektmanagement OOO; Total E&P Russie; Total Vostok; Troika Relocations Ltd.; Unicredit Bank; Visa Delight; Volvo Vostok ZAO.

NUMBER OF COMMITTEE MEETINGS

6

	Event title	Date
AEB OPEN EVENTS ORGANISED	AEB Migration Conference	05.12.2019
	Round table with Shabanov, Head of Migration Directorate, MIA of the Moscow region	19.11.2019
	Meeting with Valentina Kazakova, Chief of the Main Directorate for Migration Issues under the Ministry of Internal Affairs of the Russian Federation, on migration legislation improvement	07.06.2019
	AEB external events	
	Meeting with Valentina Kazakova, Chief of the Main Directorate for Migration Issues under the Ministry of Internal Affairs of the Russian Federation	23.08.2019

COMMITTEE ACTIVITIES, 2019

On June 8, Frank Schauff moderated a panel session devoted to a proactive immigration policy as a tool for development and attracting investments at the St. Petersburg International Economic Forum 2019. During the panel the speakers were proposed to discuss the following questions: what measures can contribute to accelerated technological renewal and the development of the Russian economy; how high-performance jobs with decent wages can be created; what changes Russian immigration legislation requires to attract highly qualified foreign specialists to the country and retain them on a permanent basis.

On August 2, Andrey Slepov, AEB Migration Committee Deputy Chairman, Partner, Beiten Burkhardt, took part in a meeting on the "regulatory guillotine" mechanism in the field of migration, which was chaired by Yury Lubimov, Deputy Chief of Staff of the Government of the Russian Federation. The meeting was devoted to the working group activities, organisational issues, and work plan until the end of the 2020. During the meeting, Maksim Travnikov, Head of the Division on citizens' constitutional rights procurement under the RF President, informed the meeting's participants about the current activities of the working group on execution of the "Concept of State Migration Policy in the Russian Federation 2019-2025", which was established by the RF President in October 2018. The AEB stressed that the improvement of the Russian migration legislation, including migration enrollment procedure, standard procedure for processing work permits, proportionality in sentencing in migration sphere, etc. had to be achieved with due account of the current practice with participation of the Ministry of Internal Affairs of RF and its regional subdivisions on different levels. It was agreed that the working group on the "regulatory guillotine" mechanism in the field of migration would be presented by business associations. The work on migration legislation will be divided into two levels/directions. The experts of the business associations will elaborate the proposals and meet on a regular (monthly) basis, and representatives of associations' management will present the position of the working group to the government on a quarterly basis.

Following the meeting on the "regulatory guillotine" mechanism in the field of migration, the AEB Migration Committee representatives had a meeting with Valentina Kazakova, Chief of the Main Directorate for Migration Issues under the Ministry of Internal Affairs of the Russian Federation, to discuss a model of the federal state control (supervision) in the field of migration as part of the guillotine plan implementation. The meeting was organised by the Russian Ministry of Internal Affairs on 23 August 2019.

Ludmila Shiryayeva, AEB Migration Committee Chairperson, and Andrey Slepov, AEB Migration Committee Deputy Chairman, stressed that the proposed model should not change the existing migration procedures, and should also affect the order (including the composition of documents) and the timing of work permits received by employers and foreign employees.

On November 19, the AEB Migration Committee held a round table with representatives of the Migration Directorate of the Moscow region, MIA of Russia.

On December 5, 2019, within the framework of the XII Annual Migration Conference "Practice of application of migration legislation", a dialogue with the representatives of the General Migration Directorate of the Ministry of Internal Affairs of the Russian Federation took place.

NON-FOOD FMCG WORKING GROUP

AIM(S)	To provide an aligned position of non-FMCG manufacturers to relevant stakeholders on the most important industrial issues and topics.
CHAIRPERSON	Sergey Bykovskih , President, Henkel Russia
AEB MEMBER COMPANIES	Avon; Electrolux; Henkel; Herbalife; L'Oreal; Oriflame; Procter & Gamble.
NUMBER OF WORKING GROUP MEETINGS	4

WORKING GROUP ACTIVITIES, 2018

In 2019, the Working Group's activities were mainly focused on the mandatory track & trace system of perfumery products and prospective of inclusion into the system of other non-food FMCG products. In addition, WG discussion and lobbying activities included such topics as:

- applicability of the electronic veterinary certification (FSIS Mercury) to animal-derived cosmetic ingredients;
- registration of cosmetic products and ingredients standard for cosmetics;
- plastic waste recycling and cooperation with regional waste operators;
- consumer labelling of home care products;
- transit of goods through Ukraine.

The WG worked closely with other AEB Working Groups and Committees on topics of mutual interest. A joint meeting was organised with the AEB Customs & Transport Committee to discuss a common position regarding the labelling of perfumery products at importers' warehouses.

NORTH-WESTERN REGIONAL COMMITTEE

AIM(S)

- To improve stable, transparent and honest business environment for European member companies in the north-western region of Russia.
- To facilitate cooperation with local and federal authorities in order to solve problems for the benefit of member companies and/or their business sectors.
- To provide platforms, such as subcommittees or working groups, to discuss, voice and resolve members' business problems.
- To organise events and other meeting opportunities for networking purposes.
- To cooperate with consulates and other bodies of the European Union in the region.
- To cooperate with other business associations.
- To provide quality information for the needs of member companies.

CHAIRPERSON

Andreas Bitzi, Partner/Director, quality partners.

DEPUTY CHAIRPERSON(S)

Elena Novoselova, Head of Regional Development, Coleman Services UK
Anton Rassadin, Government Affairs, BSH Group
Wilhelmina Shavshina, Legal Director, Head of Customs and Foreign Trade Regulation Practice, DLA Piper St. Petersburg

AEB MEMBER COMPANIES

Abloy LLC (Russia); Accountor Russia; Akzo Nobel N.V.; Allianz IC OJCS; Alinga Consulting Group; ALP Group; Alstom Russia Ltd; Ancor; Antal; Ariston Thermo Rus; Astoria Hotel Complex JSC; Avanta Solutions LLC; Baker McKenzie; BASF; Beiten Burkhardt; BORENIUS RUSSIA; Boskalis Offshore Contracting B.V.; British American Tobacco Russia; BSH Bytowyje Pribory OOO; Business Finland Oy; Business Psychologists; Castrén & Shellman International Ltd.; Caterpillar Eurasia LLC; Citibank AO; Coleman Services; Commerzbank (Eurasija) AO; Credit Agricole CIB AO; Danone Russia; Danske Bank Russia; Deloitte CIS; Dentons; DHL Express; DLA Piper Rus Limited LLC Branch in St. Petersburg; Dow Europe GmbH Representation office; Drees & Sommer; East Office of Finnish Industries; Egorov Puginsky Afanasiev & Partners; EKE Group; Eversheds Sutherland; EY; Faurecia; Finnish-Russian Chamber of Commerce; Finnvera Plc; Gestamp Russia; GfK; GROUPE SEB-VOSTOK ZAO; HeidelbergCement Rus; HELLENIC BANK PLC; Henkel Rus OOO; Human Search, OOO; Hyundai Motor CIS; IKEA DOM LLC; International Hotel Investments (Benelux) B.V. (Corinthia Hotel); Italcantieri; Itella, OOO; JETRO; Jotun Paints LLC; JTI Russia; Jungheinrich Lift Truck; Juralink G-nius; Knauf Group CIS; KPMG AO; KUUSAKOSKI OY (Petromax AO); Legrand Group; Lenta LLC; Manpower Group Russia & CIS; MOST SERVICE; Move One INC; Nissan Manufacturing Rus; Nokian Tyres Ltd.; NORD OUTSOURCING LLC; Nordea bank; Novartis Group Russia; Novo Nordisk A/S; ORAS RUS LLC; Pepeliaev Group LLC; Philip Morris Sales & Marketing; Philips; Polar Logistics Region; Port Hamburg Marketing; Promaco-TIAR; PRYSMIAN RUS LLC; PwC; quality partners.; Raiffeisenbank AO; Raiffeisen-Leasing; ROCA; Rockwool; Rödl & Partner; Saint-Gobain CIS; SAF-NEVA; SATO Rus; Scandinavian Interiors; Scania-Rus LLC; SCHNEIDER GROUP; Siemens LLC; Sokotel LLC; Spectrum Holding; Stockholm School of Economics in Russia; Tikkurila; TMF Group; Toyota Motor; TRANSLOGIX LLC; Uponor; VOLKSWAGEN Group Rus OOO; VSK Insurance Joint Stock Company; Wienerberger; YIT.

NUMBER OF COMMITTEE MEETINGS

25

**AEB OPEN EVENTS
ORGANISED**

AEB events	Date
IMF Annual Briefing	07.02.2019
Nordic Business Breakfast	12.02.2019
Meeting with Labour Inspection representatives	20.02.2019
Financial Outlook 2019 – Update for Successful Business	21.02.2019
Legal and Regulatory Results of 2018 and perspectives for 2019	14.03.2019
Meeting with the investment team of St. Petersburg	03.04.2019
Annual Meeting with NW Customs Authorities	11.04.2019
Round table on localisation with visit to SEZ St. Petersburg	12.04.2019
Digitalization in Construction and Real Estate Industry	22.05.2019
Presentation of the AEB annual survey results "Strategies and prospects for European companies in Russia"	04.06.2019
CSR: experience of European companies in Russia; a visit to Danone	18.06.2019
Round table "Prospects for the development of transport infrastructure as a basis for economic development", Pskov	28.06.2019
E-commerce as a driver of digitalization in Russia	16.10.2019
European Business Breakfast (jointly with the Consulate General of Finland)	22.10.2019
Joint networking event with AHK	07.11.2019
Meeting with the investment team of the Leningrad region	28.11.2019
AEB NWRC Christmas Get-Together	20.12.2010
AEB external events	
Participation in the International Economic Hanseatic Forum in Pskov	28.06.2019
Participation in the Forum "Baltic Region-China" organised by the government of the Leningrad region	17.09.2019
Participation in the "Start2Export2Rusland" Flemish economic mission to St. Petersburg	21.11.2019

COMMITTEE ACTIVITIES, 2019

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

From more than 200 AEB members represented in the north-western region about 110 companies were active in 2019 having regularly participated in the work of the Committee and its Subcommittees.

The year 2019 was marked by 17 open events and round tables held by the Committee and its Subcommittees.

The NWRC continued a good tradition of conducting an annual survey among its members on their satisfaction with the investment climate in the Leningrad region. The results of the survey were presented at the annual meeting with the investment team of the Leningrad region in November 2019, which was held in cooperation with the All-Russia Public Organisation "Business Russia" in St. Petersburg.

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

In 2019 representatives of the AEB North-Western Regional Committee held several business meetings with St. Petersburg city authorities and respective committees, as well as with the front-office for investors of St. Petersburg to draw up a road map and prepare the Cooperation Agreement to be signed between the AEB and the Government of St. Petersburg in 2019. Due to the elections in September 2019 the signing of the Agreement and the road map was postponed to 2020.

Also, the AEB NWRC held a meeting with the Committee for tourism of the St. Petersburg, having invited the General Managers of the main hotels in St. Petersburg to have a dialogue with the Government.

As a result of cooperation with the government of the Pskov region, the AEB participated in the International Hanseatic Economic Forum. The AEB NWRC organised a round table "Prospects for the development of transport infrastructure as a basis for economic development", which attracted about 30 participants and promoted a dialogue between the European business and regional infrastructure companies, including RZHD.

In 2019 the AEB NWRC also took part in the Forum "Baltic Region-China" organised by the government of the Leningrad region on 17 September 2019. The Chairman of the AEB NWRC took part in the panel session of the Forum having presented the results of the annual survey among the AEB members with regard to the investment climate in the region.

Among important meetings were those with the North-Western Customs authorities, the Labour Inspection of St. Petersburg, and IMF, and a visit to the Special Economic Zone of St. Petersburg.

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

- improvement of investment climate in the region;
- changes in the customs procedures and application of the customs legislation;
- localisation issues (including SPIC and RIP application);
- Labour inspection audit;
- attracting, onboarding and retaining employees;
- digital processes in the construction and real estate industry;
- transfer from share construction to project financing.

The AEB NWRC continues to foster business relations with other business associations in the region. The Committee organised a networking business event jointly with the Russian-German Chamber of Commerce in the north-western region.

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

PRODUCT CONFORMITY ASSESSMENT COMMITTEE

AIM(S)	<ul style="list-style-type: none"> • To identify and act on the major problems identified in the field of technical regulation, product conformity assessment and standardisation. • To act as a specific link with European Commission representatives in charge of the EU-Russia Regulatory Dialogue. • To contribute to approximation of the technical regulation between Russia and EU. 							
CHAIRPERSON	Alexey Soldatov , Technical Regulation Manager, BSH Bytowijje Pribory							
DEPUTY CHAIRPERSON	Vitaly Akimochkin , Logistics and Homologation Group Leader, Yamaha Motor CIS							
AEB MEMBER COMPANIES	<p>ABB; BASF; Bonduelle-Kuban; Brother; BSH Bytowijje Pribory; Caterpillar Eurasia; Continental Tires RUS; Danone Russia; DLA Piper; Doosan Infracore Co.; Dow Europe GmbH Representation office; DuPont Science and Technologies; Electrolux; Ericsson; Ferrero Russia; GE (General Electric International (Benelux) B.V.); Groupe Seb-Vostok; H&M Hennes & Mauritz; Hempel; Henkel Rus; Hino Motors; Hitachi Construction Machinery Eurasia Limited Liability Company; IKEA DOM; Imperial Tobacco Sales and Marketing; JCB Russia; John Deere Rus; Komatsu CIS; Legrand; LEROY MERLIN Russia; L'Oreal; METRO AG Representative office; Merck; Michelin; Nestle Rossiya; Nike; Noerr; Nokia; Nokian Tyres Ltd; OBI Russia; Oriflame; PBN Hill+Knowlton Strategies; Philip Morris Sales and Marketing; Philips; Procter & Gamble; Rockwool; Saint-Gobain; Samsung Electronics; Scania-Rus; Schneider Electric; Schneider Group; Secretan Troyanov Schaer S.A.; Vegas Lex Advocate Bureau; Volvo Cars; Yamaha Motor CIS .</p>							
NUMBER OF COMMITTEE MEETINGS	6							
AEB OPEN EVENTS ORGANISED	<table border="1"> <thead> <tr> <th>AEB events</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Annual conference "Technical regulation and conformity assessment in the EAEU and the EU: prospects for approximation"</td> <td>19.09.2019</td> </tr> <tr> <td>Meeting with Alexey Khersontsev, Deputy Minister of Economic Development of the Russian Federation – Head of the Federal Service for Accreditation, on TR 037 EEC</td> <td>31.10.2019</td> </tr> </tbody> </table>	AEB events	Date	Annual conference "Technical regulation and conformity assessment in the EAEU and the EU: prospects for approximation"	19.09.2019	Meeting with Alexey Khersontsev, Deputy Minister of Economic Development of the Russian Federation – Head of the Federal Service for Accreditation, on TR 037 EEC	31.10.2019	
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Meeting with Alexey Khersontsev, Deputy Minister of Economic Development of the Russian Federation – Head of the Federal Service for Accreditation, on TR 037 EEC	31.10.2019							

COMMITTEE ACTIVITIES, 2019

The Product Conformity Assessment Committee held a conference "Technical regulation and conformity assessment in the EAEU and the EU: prospects for approximation" on September 19, 2019. The event aimed to discuss issues of product conformity assessment, barriers of entering the EAEU market, actualisation of lists of standards, problems of implementation of the TR EAEU 037/2016 (RoHS), prospects for technical regulation of construction products in Russia, technical barriers in promotion of machine building equipment, EU study on technical barriers to trade resulting from differences in EU-EAEU product regulation, and others.

Product Conformity Assessment Committee members will continue to collect major problems identified in the field of Technical Regulation and Standardisation, especially in the frame of the EAEU.

PUBLIC RELATIONS & COMMUNICATIONS COMMITTEE

AIM(S)	The Committee was established to bring together experts in PR and corporate communications and to create a platform for exchanging information and advising on the issues of applying successful international PR practices in Russia.
CHAIRPERSON	Marina Tatarskaya , PR Director, Ferrero Russia
DEPUTY CHAIRPERSON(S)	Anastasia Zorina , Head of Communications, Sanofi
AEB MEMBER COMPANIES	<p>ABB; Acteon LLC; Alinga Consulting; Allianz IC OJSC; ALRUD Law Firm; American Institute of Business and Economics; ANCOR; Angelini Pharma Rus LLC; Antal; Ararat Park Hyatt Moscow; Arval; AstraZeneca Pharmaceuticals LLC; Avon Beauty Products Company LLC; Baker McKenzie; Bayer; BEITEN BURKHARDT Moscow; Benteler Automotive LLC; BMW Russland Trading; BNP Paribas; Boehringer Ingelheim; Bonduelle-Kuban LLC; BP; British American Tobacco Russia; Bryan Cave Leighton Paisner (Russia) LLP, Russian branch; BSH Bytowyje Pribory OOO; Business Psychologists Ltd. (CEB SHL Russia & CIS); Cadran; Caterpillar Eurasia LLC; Chadbourne & Parke LLP; CMS Russia; Creon Capital S.a.r.l; Danone Russia; Dassault Systems LLC; Debevoise and Plimpton LLP; Deloitte CIS; Delphi Samara JV JSC; Dentons; DHL Express; Dow Europe GmbH Representation office; DSM; DuPont Science and Technologies; Egorov Puginsky Afanasiev & Partners (EPAM); Enel Russia; ERGO Insurance Company; Euler Hermes; Evonik; EY; FENICE RUS LLC; Ferrero Russia CJSC; Gasunie; GAZ Group LLC; Generali Russia & CIS; Grayling Eurasia OOO; Haldor Topsoe LLC; HELLENIC BANK PCL; Hino Motors Sales, LLC; Hotel Baltschug Kempinski Moscow/Baltschug Ltd; Hyundai Motor CIS; IE Business School; IKEA DOM LLC; Imperial Tobacco Sales and Marketing; ING Wholesale Banking in Russia; Intermark Relocation; ITE LLC Moscow; Iveco Russia LLC; John Deere Rus LLC; Kesarev Consulting; LafargeHolcim; Legrand Group; Macro-Advisory LLC; ManpowerGroup Russia & CIS; Marsh-Insurance Brokers; Mazars; Merck LLC; Mercuri International; Messe Frankfurt Rus Ltd; MetLife JSC; METRO AG Representative office; Metropol Hotel Moscow (LLC MC "Okhotny Ryad"); Mitsubishi Electric (Russia) LLC; Morgan Lewis; NAVIEN RUS LLC; Nestle Rossiya LLC; Noerr OOO; Novo Nordisk A/S; Open LLC; Orange Business Services; Oriflame; PBN Hill+Knowlton Strategies; Pepeliaev Group LLC; Philip Morris Sales and Marketing; Philips LLC; Procter & Gamble; Promaco-TIAR; Publicity Consulting Group, an ECCO Network Affiliate in Russia; PwC; Raiffeisen-Leasing; Raiffeisenbank AO; Renaissance Moscow Monarch Centre Hotel; Repsol Exploracion S.A.; Rödl & Partner; Russian Management Hotel Company LLC; Sanofi Russia; Scania-Rus LLC; Schneider Electric; SCHNEIDER GROUP; Servier; Shell Exploration and Production Services (RF) B.V.; Siemens LLC; Signify; Stada CIS; Subaru Motor LLC; Swissotel Krasnye Holmy Moscow; Syngenta; TABLOGIX; TechSert; Tikkurila; TSAR VOYAGES; Unipro PJSC; United Technologies International Operations Inc. Representative Office; Urus Advisory Ltd.; VEGAS LEX Advocate Bureau; VOLKSWAGEN Group Rus OOO (Audi/Bentley/Lamborghini/Škoda/Volkswagen/Volkswagen Commercial Vehicles).</p>
NUMBER OF COMMITTEE MEETINGS	5

	AEB events	Date
AEB OPEN EVENTS ORGANISED	Open event "The role and responsibility of businesses, NGOs and media in promoting the UN Sustainable Development Goals and shaping a CSR culture in society"	25.06.2019
	Open event "Meet the media: 'Expert' media holding. The expert view on the interaction of business and media in modern information space"	24.09.2019
	Open event "Fake news and information wars in international relations and global competition of transnational corporations"	17.10.2019
	Open event "Go digital II: how to use a boom in the field of e-commerce for corporate brand promotion"	25.11.2019

COMMITTEE ACTIVITIES, 2019

Currently, one of the most significant trends in the PR industry is associated with the process of digitalization, growing role of social media in communications, and the role of traditional media vs. new media. In this regard, on 19 April 2019 the Committee held its open meeting devoted to the topic "Traditional and new media. Impact of current trends on PR professionals' work". The meeting provided the platform for discussion of the future of digital and traditional media in Russia, the challenges and opportunities for PR professionals in the context of the globalisation of businesses and the information field.

On 11 September 2019, the Committee held its traditional "Meet the media" meeting with the "Expert" media holding. The meeting was entitled "The expert view on the interaction of business and media in modern information space". The event was focused on the key media trends currently driving the transformation in media landscape and causing an impact on the interaction with businesses.

The demand for online trading is driving new opportunities in PR for e-commerce technology. PR for e-commerce technology is emerging as a specialised service category and a key performance driver for the companies providing cutting-edge technologies to B2B and B2C sectors.

Against this background, on 25 November 2019 the Committee held its open event "Go digital II: how to use a boom in the field of e-commerce for corporate brand promotion", which was jointly organised with Yandex.Market. The event was focused on current impact of e-commerce on consumer behaviour, e-commerce development trends and market players, Yandex.Market ecosystem and its functioning, PR for e-commerce technology, and creative fusion of offline retail and e-commerce.

The digital era creates new risks: the authenticity of information is becoming a challenging issue, affecting businesses and society, both for printed and digital media. The false information spread within minutes through social networks and other digital channels may cause real impacts for millions of users.

With a view to this challenge, the Committee devoted one of its open events held in 2019 to the topic "Fake news and information wars in international relations and global competition of transnational corporations". The meeting was organised

to raise awareness of the concerns and challenges for businesses in terms of detecting fake news and facing informational attacks. The event covered the following subtopics: what is fake news and how to distinguish it, fake news as a tool for influencing the audience and broadcasting a given agenda; danger of fake news combined with viral technologies, information attacks: potential risks and impact on business reputation, tackling information attacks and ensuring the safety of top officials from information threats, information wars: technologies in the context of corporate crisis communications and case studies.

The Sustainable Development concept is nowadays forming a new paradigm for businesses. The key business approaches applied by leading European companies are being transformed towards operating business responsibly, including through focusing on reducing the environmental impact, using renewable resources, increasing production efficiency, etc. The advanced Russian businesses also consider the global sustainable development goals and CSR as an important part of their agenda. In terms of sustainable development and CSR, the AEB Public Relations & Communications Committee acts as a reliable partner. The Committee considers it is important to remain open both within the AEB and for external dialogue in order to achieve a synergistic effect. In this regard, the Committee took part in a number of events.

On 25 June 2019, the Committee held its open event "The role and responsibility of businesses, NGOs and media in promoting the UN Sustainable Development Goals and shaping a CSR culture in society", jointly organised with the Moscow Chamber of Commerce and Industry (MCCI). The event was focused on the values of responsible business practices and new approaches to the management of resources, risks and all types of impact on economic processes, society and the environment. It will provide a platform for discussions and exchange of professional opinions, promotion of topical aspects of improving corporate practices for sustainable development.

On 21 October 2019, the Committee Chairperson took part in the AEB session "Russia-Europe: European manufacturing and digital technologies for sustainable development", held within the business programme of "Open Innovations" Forum 2019. The session was focused on digital technologies for sustainable development and societal perspectives of implementing new technologies. Europe is known as a global socially responsible technology leader. To transform the economy and to generate new and sustainable competitive advantages, the European business is transitioning to a low-carbon, more resource-efficient, circular economy. The panelists discussed possible solutions on reduction of pollution and water consumption, use less damaging industrial, mining, agricultural practices and better recycling technologies, adaptation a digital manufacturing strategy, determining the priorities towards sustainability and decarbonisation in key industrial sectors of economy.

On 12 December 2019, in cooperation with the RSPB Committee on CSR and sustainable development, the Committee took a role as the co-organiser of the meeting "Transforming corporate strategy and performance under the impact of sustainable development global agenda". The cases presented by the AEB members at this meeting proved that European companies were considered as a source of high-level expertise in this area, and they pay special attention to the implementation of sustainable development practices at the global and regional levels.

On 5 March 2019 the Committee took part in the meeting jointly organised with the AEB Finance & Investments Committee, which was devoted to the promotion of the AEB annual survey "Strategies and prospects for European companies in Russia", as well as to discussion of popularisation of surveys and research as a PR and GR tool.

A new direction of the Committee's activity covered the sphere of culture and arts. A special open session devoted to the topic "Projects in the field of culture and arts as a tool of corporate and brand communications" was held on 12 December. It provided the platform for exchanging views and best practices in implementing cultural and artistic projects.

REAL ESTATE COMMITTEE

AIM(S)	<ul style="list-style-type: none"> • To facilitate the exchange of information regarding real estate and development issues in Russia. • To influence existing procedures in order to increase the attractiveness of foreign investment. • To establish a 'bridge' between the AEB, the Moscow government, the State Duma and other relevant governmental bodies. 												
CHAIRPERSON	Tatjana Kovalenko , Deputy General Director, SENDLER & COMPANY												
AEB MEMBER COMPANIES	<p>ABB; AERECO S.A. (FRANCE) - Representative Office in the Russian Federation; Allianz IC OJSC; ALPE consulting LLC; ALRUD Law Firm; AO Deloitte & Touche CIS; Bank Credit Suisse (Moscow); BEITEN BURKHARDT Moscow; BNP Paribas; Borenius Russia; Bryan Cave Leighton Paisner (Russia) LLP, Russian branch; Clifford Chance; CMS Russia; Debevoise and Plimpton LLP; Dentons; DLA Piper; Drees & Sommer; DuPont Science and Technologies; Egorov Puginsky Afanasiev & Partners (EPAM); Eversheds Sutherland; EY; FlaktGroup; Gerald Sakuler; Intermark Relocation; Italcantieri; KPMG AO; Mazars; METRO AG Representative office; MonDef; Orange Business Services; Pavia e Ansaldo; PBN Hill+Knowlton Strategies; Pepeliaev Group, LLC; Porsche Russland; PwC; Radius Group; ROCA; Rödl & Partner; Saint-Gobain; SAP CIS; SCANDINAVIAN INTERIORS JSC; SCHNEIDER GROUP; Sandler & Company OOO; Siemens LLC; Special economic zone "STUPINO QUADRAT"; Spectrum holding Ltd; Stupino 1 Industrial Park; TABLOGIX; TMF Group; Urus Advisory Ltd.; VEGAS LEX Advocate Bureau; Whirlpool RUS; YIT.</p>												
NUMBER OF COMMITTEE MEETINGS	7												
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COMMITTEE ACTIVITIES, 2019

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

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

During 2019 Committee members organised several major meetings and events:

- meeting with Gasan Gasangadziev, Head of the Department of Housing and Communal Services, Moscow government, jointly with the Energy Efficiency, Construction Industry & Building Material Suppliers and SHES Committees (04.03);
- external meeting on renovation with the Moscow government (jointly with the Energy Efficiency and Construction Industry & Building Material Suppliers Committees) (05.03);
- open event "Legal changes in the field of real estate" (28.03);
- open event "Presentation of the Moscow Export Centre" (18.07);
- conference "European Real Estate Day" (26.09);
- open event: "Update on legal issues in real estate" (08.11);
- open event "Special Economic Zones: from A to Z" (26.11);
- meetings with AEB experts.

In 2019 Tatjana Kovalenko, Committee Chairperson, participated in the:

- MIPIM 2019 (the world's leading real estate market event) in Cannes/France (12-15.03);
- EXPO Real 2019 (Real Estate Trade Fair) in Munich/Germany (07-09.10);
- Warehouses of Russia (Sklady Rossii) – III International Forum in St. Petersburg/Russia (20-22.11);
- meeting of the working group of land and real estate, regulatory guillotine (11.12).

Throughout the year, the Committee continued to issue its magazine "The Real Estate Monitor" on a quarterly basis.

RETAIL TRADE COMMITTEE

AIM(S)	<ul style="list-style-type: none"> • To provide support to AEB member companies operating in Russian trade. • To serve as a dialogue platform for member companies and other stakeholders on appropriate topics. • To develop a common industry stand on selected issues. • To lobby industry interests towards various stakeholders. • To keep member companies informed about relevant issues. 				
CHAIRPERSON	Alexey Grigoriev , Vice President, METRO AG				
AEB MEMBER COMPANIES	Auchan Russia; H&M Hennes & Mauritz LLC; IKEA Centres Russia; IKEA DOM LLC; Lenta LLC; LEROY MERLIN Russia; M.Video; METRO AG (Germany) Representative office; OBI Russia.				
NUMBER OF COMMITTEE MEETINGS	9				
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COMMITTEE ACTIVITIES, 2019

The AEB Retail Trade Committee was established in 2010. The Committee deals with a number of sensitive industry issues affecting activities of foreign retailers operating on the Russian market. The issues considered during 2019 included regulation of trade, state and municipal control legislation (regulatory guillotine), healthy lifestyle/organic products, veterinary legislation, traceability and marking requirements, self-regulation, waste management, alcohol regulation, cash registers law requirements, acquiring in Russia and many others.

In 2019 Committee members had several meetings with such governmental officials and experts as:

- Nikita Kuznetsov, Director of the Department of the development of domestic trade, the system of digital labelling of goods and the legalisation of product turnover, Ministry of Industry and Trade of the Russian Federation;
- Maria Novikova, Director of the Veterinary Department of the Ministry of Agriculture of the Russian Federation;
- Petr Shelisch, Chairman of the Consumers Union of Russia;
- Kirill Volkov, Centre for Prospective Technologies Development;
- AEB member companies and AEB experts.

In 2019 Alexey Grigoriev, Committee Chairman, participated in the:

- Sochi Economic Forum on the issues of innovation development (14-15.02);
- Krasnoyarsk Economic Forum on the issue of trade regulation and self-regulation (27-30.03);
- St. Petersburg International Economic Forum on the issue of small-medium businesses regulation and support (05-07.06).

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

SAFETY, HEALTH, ENVIRONMENT & SECURITY COMMITTEE

AIM(S)

- To promote international Safety, Health, Environment and Security (SHES) standards and best practices among companies operating in Russia, and enhance relevant information exchange between European and Russian business through a common platform.
- To advocate Committee's position on the current state and proposed changes in the Russian SHES legislation through channels established by the AEB and in cooperation with other business associations.
- To provide AEB members with regular updates on key issues concerning the SHES sphere development and prospects.

CHAIRPERSON

Valery Kucherov, Partner, ERM Eurasia, Moscow Branch

AEB MEMBER COMPANIES

ABB; OJSC IC Allianz; Alstom; Antal Russia; Avon Beauty Products Company LLC; BASF; Bayer ZAO; BEITEN BURKHARDT Moscow; Boehringer Ingelheim; BP; British American Tobacco Russia; Citibank ZAO; Control Risks; Corporate Counselling Services Sarl; Corporate Health LLC; Credit Agricole CIB AO; Deloitte; Deutsche Bank Ltd.; DHL Express; DuPont Science and Technologies; Egorov Puginsky Afanasiev & Partners (EPAM); Elite Security GmbH; Enel Russia OJSC; ERM (Environmental Resources Management); EY; FENICE RUS LLC; GE; HeidelbergCement RUS; IKEA Shopping Centres Russia; International Road Transport Union, Permanent Delegation to Eurasia; International SOS; John Deere Rus LLC; Komatsu CIS; Leroy Merlin; ManpowerGroup; Mercedes-Benz Russia AO; Michelin; MIG Business Security Strategies; Nike; Nissan; Noerr; Nokia Solutions and Networks; Norton Rose Fulbright (Central Europe) LLP; Novartis Group; Novo Nordisk A/S; Orange Business Services; Orion Pharma LLC; Pepeliaev Group LLC; Philips; PwC; Renault; Repsol Exploracion S.A.; Risk Advisory Group Plc.; Rockwool; Saint-Gobain CIS; Sanofi Russia; Schneider Electric; Shell Exploration and Production Services (RF) B.V.; TNT Express Worldwide (CIS) Ltd.; Total Vostok; Toyota Motor OOO; Uniper Global Commodities SE; VISA.

NUMBER OF COMMITTEE MEETINGS

7

AEB OPEN EVENTS ORGANISED

AEB events

Date

How to raise cyber security at all levels in your companies

19.03.2019

Health and safety regulation in Russia: experience of European companies (jointly with the HR and Retail Trade Committees)

27.03.2019

New trends and tools to manage supply chain risks in Russia

03.04.2019

AEB OPEN EVENTS ORGANISED

Health and safety risk assessment: experience of European companies	26.06.2019
Travel security – changing landscape	31.10.2019
Key issues and best practices in health and safety: the experience of European companies	20.11.2019
AEB external events	Date
4 th WEEE Congress	19.03.2019
Round table “Ecology and Circular Economy” within the Northern Dimension Forum in St. Petersburg	04.04.2019
AEB Round table at the Russian Health and Safety Week	24.03.2019

COMMITTEE ACTIVITIES, 2019

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

In 2019 all Subcommittees were proactive and organised 6 open events.

The Environmental Subcommittee members took part in the 4th Eurasian Waste Electric and Electronic Congress. The Security Subcommittee focused its activities on digital hygiene and travel security matters. The Health & Safety Subcommittee held two round tables on regulatory environment and a round table at the Russian Health and Safety Week: “Key issues and best practices: experience of European companies in Russia”. Apart from this, Subcommittee experts took part in the Scientific and Practical Forum of Health and Safety “RISK.NET”. The Climate Policy WG discussed the consequences of the Paris Agreement for European companies in Russia.

The Committee traditionally participated in the round table “Ecology and Circular Economy” organised within the Northern Dimension Forum in St. Petersburg.

The Committee actively worked on enhancing cross-committee activities, for example, the Health & Safety Subcommittee organised an open event on labour law regulatory issues in cooperation with the AEB Retail Trade and HR Committees. Climate policy issues were actively discussed with the participation of the Energy Efficiency Committee.

In Q3, 2019 four AEB Committees (Health & Pharmaceuticals, Retail Trade, Food Processing and SHES) prepared a “Business Quarterly” magazine devoted to healthy living matters.

In 2019 the Committee started its cooperation with the International Labour Organisation (ILO) and had a dialogue with Valentin Mocanu, Senior Labour Administration, Labour Inspection and Occupational Safety and Health Specialist at ILO.

SEED COMMITTEE

AIM(S)	<ul style="list-style-type: none"> • To represent and promote member companies' interests based on a consolidated position on the key issues of selection and seed growing through interaction with government bodies, organisations, business associations and unions. • To create and support a favourable climate for business development.
CHAIRPERSON	Vladimir Druzhina , Head of East Europe, BU Corn, KWS
DEPUTY CHAIRPERSON(S)	Denis Zhuravskiy , Head of GR Russia, Syngenta
AEB MEMBER COMPANIES	BASF; Bayer; Euralis Semences Rus; KWS, Limagrain, Pioneer Hi-Bred Rus, Syngenta.
NUMBER OF COMMITTEE MEETINGS	10

COMMITTEE ACTIVITIES, 2019

Redundant requirements imposed by the Federal Service for Veterinary and Phytosanitary Surveillance during importing seeds from foreign countries to the Russian Federation.

Presentation and advocacy of the Committee consolidated position at the:

- Public Hearings organised by the Federal Service for Veterinary and Phytosanitary Surveillance in the framework of the "regulatory guillotine" mechanism, Moscow (19.06);
- meeting of the Working Group "Entrepreneurship in agriculture" in the framework of the "Transformation of the business climate" mechanism, Moscow (02.10).

SMALL & MEDIUM-SIZED ENTERPRISES COMMITTEE

AIM(S)

- To establish new business connections to other AEB members and local companies.
- To offer a platform for interaction with Russian state agencies and regulatory bodies.
- To create a forum to exchange information, best practices and relevant market news.
- To provide its members with regular updates on sectoral/cross-sectoral information.
- To interact with SMEs from EU member states with the support of embassies/ trade representations.

CHAIRPERSON

Tadzio Schilling, Head, German Business Center, EY

DEPUTY CHAIRPERSON(S)

Paul Bruck, President, MOST SERVICE, Member of Bruck Consult

AEB MEMBER COMPANIES

Acteon LLC; Agro-Chemie Kft.; Alinga Consulting; Allianz IC OJSC; ALPE consulting LLC; ALRUD Law Firm; American Institute of Business and Economics; Antal Russia; Arval; Banca Intesa; Borenius Russia; Brother LLC; Cadran; Center-invest Bank; Citibank AO; Covestro LLC; Credendo – Ingosstrakh Credit Insurance LLC; Creon Capital S.a.r.l.; Dentons; DHL Express; EY; Ferrero Russia CJSC; Finexpertiza; Finnish-Russian Chamber of Commerce; FM Logistic; Foodcard; Generali Russia & CIS; Hyundai Truck and Bus Rus LLC; IE Business School; Intermark Relocation; INVESTMENT COMPANY IC RUSS-INVEST; JURALINK; KBS International S.A.; Legrand Group; Lighthouse Russia BV; Lincoln International CIS Holding B.V., Branch in Moscow; Macro-Advisory Ltd.; MAI Insurance Brokers; ManpowerGroup Russia & CIS; Marsh - Insurance Brokers; Mazars; Messe Frankfurt Rus Ltd.; MOST SERVICE, member of Bruck Consult; Move One INC; NOBLE HOUSE Group Russia; Nordea Bank; Oriflame; Peterka & Partners LLC; Philip Morris Sales and Marketing; Polar Logistics Region; Polish Business Club in Moscow; PwC; Qmatic AB; quality partners.; Raiffeisen-Leasing; Raiffeisenbank AO; Rödl & Partner; SCHNEIDER GROUP; SECRETAN TROYANOV SCHAER S.A.; SPEAKUS Ltd; Stupino 1 Industrial Park; TABLOGIX; TechSert; TMF Group; TNT; Troika Relocations Ltd.; TSAR VOYAGES; Urus Advisory Ltd.; Viruni Capital Partners; Volvo Cars; VSK Insurance House (SAO VSK).

NUMBER OF COMMITTEE MEETINGS

4

AEB OPEN EVENTS ORGANISED

AEB events

Date

Business meeting of the EU SMEs operating in Russia entitled "Improving the Business Environment for SMEs in Russia" organised by the EU Delegation to Russia in cooperation with the AEB

09.04.2019

AEB OPEN EVENTS ORGANISED	Business meeting "Doing Business in Russia: Success Stories of Belgian SMEs", jointly organised with the Embassy of Belgium in Moscow and the Belgian-Russian Business Club	11.12.2019
	AEB external events	Date
	AEB Southern Dimension Conference organised by the AEB Southern Regional Committee	17.10.2019
	SME Forum "Delo Za Malym!"	18.10.2019
	Second Forum of family entrepreneurs "Successful Family – Successful Russia!" organised by the Chamber of Commerce and Industry of Russia	06.11.2019

COMMITTEE ACTIVITIES, 2019

Starting from the EU Trade & Commercial Counsellors meeting held on 27 March 2019, the AEB SME Committee has been closely collaborating with the EU Delegation and European diplomatic representations in Russia to promote the agenda, brand, and interests of European SMEs.

To that end, the AEB SME Committee has for instance launched a new format of meetings to promote and showcase European SMEs and their path to success on the Russian market called "Hidden champions. Success stories of European SMEs in Russia", the first edition of which was implemented with the help of the Swiss Embassy on 18 February 2019.

On 9 April 2019, in cooperation with the EU Delegation to Russia and with the participation of the Presidential business ombudsman, Boris Titov, and the Ministry of Economic Development of the RF, the AEB SME Committee held a business round table dedicated to the topic "Improving the Business Environment for SMEs in Russia" which the Committee is planning to repeat in 2020 and to establish as an annual conference.

Against this background, on 11 December 2019, the business meeting "Doing business in Russia: success stories of Belgian SMEs" jointly organised by the Embassy of Belgium in Moscow, the AEB, and the Belgian-Russian Business Club, was held. The event was designed to promote and showcase Belgian SMEs and their path to success on the Russian market. It provided the opportunity to learn from Belgian companies' diverse experience and to exchange views on key challenges and success factors of doing business in Russia.

In 2019, the Committee continued its interactions on establishing partnerships with relevant governmental bodies, development institutes for small and medium businesses, and key business associations, including the Federal Corporation for the Development of Small and Medium Enterprises (SME Corporation), the Chamber of Commerce and Industry of Russia, the Moscow Chamber of Commerce and Industry, etc.

On 18 October 2019, at the SME Forum "Delo Za Malym!" the AEB SME Committee Chairman delivered a presentation dedicated to the topic "How to develop business in Europe: requirements, cultural features, and practical recommendations". The Committee Chairman pointed out the examples of successful partnerships between SMEs and transnational corporations, including in automotive industry and other industrial sectors. The speaker stressed the fact that cooperation between transnational corporations and Russian SMEs is being developed under the influence of localisation. In its turn, European SMEs have earned a reputation as reliable suppliers to Russia's large manufactures.

On 6 November 2019, the AEB SME Committee took part in the Forum "Successful Family – Successful Russia!" organised by the Chamber of Commerce and Industry of Russia. In the SME session moderated by Georgy Petrov, Counselor to the President of the Chamber, the AEB was represented by Andreas Bitzi, Chairman of the AEB North-Western Regional Committee, Managing Director, quality partners. The following key characteristics were highlighted by the speaker in terms of the family businesses in Europe: high profitability and cautious risk-taking behaviour, reasonable investments in business development, importance of presence in a particular region, striving for continuous improvement of product quality and company development, high attention to societal aspects and charitable activities as a precondition for long-term sustainability.

SOUTHERN REGIONAL COMMITTEE

AIM(S)	<ul style="list-style-type: none"> • To promote and to strengthen business reputation of the AEB in the region. • To interact with authorities. • To interact with key non-governmental partners. • To create an effective platform for business communication. 																				
CHAIRPERSON	Oleg Zharko , Regional Corporate Affairs Director, Danone Russia																				
DEPUTY CHAIRPERSON(S)	Ralf Bendisch , General Director, CLAAS Igor Brener , Client HR Manager, Cargill Russia & Ukraine Lubov Popova , Adviser, VEGAS LEX																				
AEB MEMBER COMPANIES	ABB; Advocates Bureau Yug; Allianz IC OJSC; ANCOR; Atos; Banca Intesa; BASF; Bayer JSC; BONDUELLE-Kuban LLC; Cargill LLC; Center-invest Bank; CHEP RUS LLC; CLAAS; Danone Russia; ERGO Insurance Company; EY; IKEA DOM LLC; ITE LLC; Knauf Group CIS; KPMG AO; KWS RUS LLC; Legrand Group; Limagrain RU LLC; Mercuri International; Nestle Rossiya LLC; OTP Bank JSC; Philip Morris Sales and Marketing; Philips LLC; PwC; Raiffeisenbank AO; Rosbank; Schneider Electric; Siemens LLC; SOGAZ Insurance Group; Syngenta; UniCredit Bank AO; VEGAS LEX Advocate Bureau; Volvo Cars LLC; VSK Insurance House; YIT.																				
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AEB OPEN EVENTS ORGANISED

Opening ceremony of the Kuban State Agrarian University Business School 2019-2020	25.09.2019
Opening ceremony of the Kuban State Technological University Business School 2019-2020	02.10.2019
Opening ceremony of the Kuban State University Business School 2019-2020	09.10.2019
AEB SRC Days in Krasnodar	17-18.10.2019
Conference "Practices of implementation of sustainable and infrastructure development as a factor of investment attractiveness of the region"	17.10.2019
Presentation of the Memorandum of the foreign investors at the Regional Foreign Investment Advisory Council meeting	17.10.2019
AEB Southern Regional Committee Reception	17.10.2019
Round table in the frame of the SME Forum "Synergetic effect of interaction between large international companies and SMEs"	18.10.2019
Meeting of the business club "Investments 2020"	26.11.2019
Conference "Corporate social partnership between business and universities: human capital development"	06.12.2019
AEB external events	
Official reception "Practice of students from twin cities and partner cities in Krasnodar"	08.08.2019
Semi-final of the contest "Leaders of Kuban – moving up!"	02.11.2019
Opening of the exhibition "Partnership of cities as a dialogue of cultures" at the Kuban State University	27.11.2019
Final of the contest "Leaders of Kuban – moving up!"	29.11.2019
2 nd Kuban HR Forum	09.12.2019

COMMITTEE ACTIVITIES, 2019

The Committee was created in 2003 to ensure that investors are able to utilise investment opportunities of the region to their fullest potential. Currently the Committee unites 40 companies: leading foreign investors, international banks and consulting companies that have affiliates operating in the Krasnodar and Rostov regions, and the Adygei Republic.

On 17-18 October 2019, the AEB Southern Regional Committee Days were held in Krasnodar and consisted of the following events:

- conference "Practices of implementation of sustainable and infrastructure development as a factor of investment attractiveness of the region";
- presentation of the Memorandum of the foreign investors at the Regional Foreign Investment Advisory Council meeting;
- AEB Southern Regional Committee Reception;
- round table within the SME Forum "Synergetic effect of interaction between large international companies and SMEs".

In 2019, the SRC member companies actively participated in working out of the development strategy of the Krasnodar region 2030 and were involved in the work of the Regional Foreign Investments Advisory Council under the Governor of the Krasnodar region. AEB member companies lead the working groups established under the Council.

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

- members of the Council on Improvement of Investment Climate under the Governor of the Krasnodar region;
- members of the Council on Industrial Policy under the Governor of the Krasnodar region;
- members of the Expert Committee of the Legislative Assembly of the Krasnodar region;
- members of the Public Editorial Board of the Yug Times;
- members of the Trustee Board of Business Schools of the Kuban State Technological University, the Kuban State Agrarian University and the Kuban State University;
- members of the expert Council and mentors of the competition "Leaders of Kuban – moving up!".

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

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

TAXATION COMMITTEE

AIM(S)	<ul style="list-style-type: none"> • To promote initiatives aimed at improving taxation and tax administration. • To inform AEB members about significant changes in tax legislation and law enforcement practice. • To develop professional communication and create experts team. 								
CHAIRPERSON	Alina Lavrentieva , Partner, PwC								
DEPUTY CHAIRPERSON(S)	Vadim Zaripov , Head of Analytical Department, Pepeliaev Group								
AEB MEMBER COMPANIES	<p>AGRANA Fruit Moscow Region; Akzo Nobel N.V.; Alinga Consulting Group; Alkor and Co; Alrud; Andrey Gorodissky And Partners Law Firm; AstraZeneca Ltd.; Auchan; Baker Botts LLP; Baker McKenzie CIS Ltd; Bauke van der Meer; BEITEN BURKHARDT; Boehringer Ingelheim Pharma GmbH; Boiron; BMW Russland Trading OOO; British American Tobacco Russia; Bryan Cave Leighton Paisner (Russia) LLP; Carnelutti Russia; Clifford Chance; CMS Russia; Continental Tires RUS; Debevoise and Plimpton; Deloitte; Delonghi; Dentons; DHL Express; DLA Piper; DuPont Science & Technologies LLC; Enel Russia; EY (CIS) B.V.; Egorov Puginsky Afanasiev & Partners; Ferrero; Gide Loyrette Nouel; HSBC; IBFS; IKB Leasing; IKEA; JTI; KPMG; LafargeHolcim; L’Oreal; Loyens & Loeff N.V.; Mazars; Mercedes-Benz Financial Services; Messe Frankfurt Rus OOO; Metro Cash & Carry; M.Video; Nissan Manufacturing; NORD OUTSOURCING; Noerr; OBI Russia; OTP Bank; Pavia & Ansaldo; Pepeliaev Group; Philip Morris; Porsche Russland; Procter & Gamble; PwC; Rödl & Partner; Sanofi; SCHNEIDER GROUP; Shell; Schlumberger; Unipro; Whirlpool; YUST; Zentis Russland.</p>								
NUMBER OF COMMITTEE MEETINGS	11								
AEB OPEN EVENTS ORGANISED	<table border="1"> <thead> <tr> <th>AEB events</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>VAT office of a foreign company for e-services starting from 2019 – all flags will be visiting us?</td> <td>23.01.2019</td> </tr> <tr> <td>Development of the Russian tax system: results of the first half of 2019 and perspectives</td> <td>28.06.2019</td> </tr> <tr> <td>Development of the Russian tax system: results of 2019 and perspectives</td> <td>18.12.2019</td> </tr> </tbody> </table>	AEB events	Date	VAT office of a foreign company for e-services starting from 2019 – all flags will be visiting us?	23.01.2019	Development of the Russian tax system: results of the first half of 2019 and perspectives	28.06.2019	Development of the Russian tax system: results of 2019 and perspectives	18.12.2019
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Development of the Russian tax system: results of 2019 and perspectives	18.12.2019								

COMMITTEE ACTIVITIES, 2019

In 2019 the Committee established the following Working Groups: Working Group on Tax Crimes, Working Group on Intra-group Services, Currency Regulation Working Group, Document-base Traceability Working Group. Therefore, with the Working Group on VAT on Digital Services, that was established in 2017, the Committee has 5 working structures that conducted in total 23 meetings in 2019: Working group on tax crimes – 11 meetings; Working Group on VAT on Digital Services – 3 meetings; Working Group on Intra-group Services – 3 meetings; Currency Regulation Working Group – 2 meetings; Documentary Traceability Working Group – 5 meetings.

Committee representatives actively participated in the experts work of the Foreign Investors Advisory Council:

12.02.2019 – meeting on the retrospective application of regulations;

13.02.2019 – meeting on current VAT issues;

01.04.2019 – meeting on VAT on digital services;

01.04.2019 – meeting on VAT on digital services;

01.04.2019 – meeting on movable and immovable property taxation; leased assets taxation;

05.09.2019 – meeting on retrospective application of legal norms;

06.10.2019 – meeting on VAT on digital services;

03.12.2019 – meeting on VAT on digital services.

Committee’s activities were quoted 5 times in the leading business media.

TOBACCO PRODUCTS WORKING GROUP

AIM(S)	To promote the interests of AEB member companies in the tobacco production sector through governmental liaison and advocacy activities.
CHAIRPERSON	Ilona Mirtova , Corporate and Legal Affairs Director, Imperial Tobacco Sales and Marketing
AEB MEMBER COMPANIES	British American Tobacco Russia; Imperial Tobacco Sales and Marketing; JTI Russia; Philip Morris Sales & Marketing.
NUMBER OF WORKING GROUP MEETINGS	5

WORKING GROUP ACTIVITIES, 2019

In 2019, the WG activities focused on aligning and presenting to relevant stakeholders the WG's position on the following issues:

- track and trace system;
- reduced risks products regulation;
- legislation on tobacco and innovative products;
- taxation;
- chewing tobacco standards.

WORKING GROUP ON MODERNISATION & INNOVATIONS

AIM(S)

- To assist companies involved in research and development (R&D) in Russia.
- To represent the interests of the R&D community and executives in this sphere.
- To develop recommendations for regulations and the legal framework in order to improve conditions for the activities of foreign investors.
- To exchange information between companies on modernisation and innovative trends in Russia, various international practices and political methods and their application in Russian conditions.
- To share experience in the sphere of collaboration with Russian innovation and educational centres, intellectual property, commercialisation of innovations, and production of prototypes.
- To attract sources of innovation and human resources, including the identification of opportunities to raise capital through Russian and foreign channels of financing.

CHAIRPERSON

Michael Akim, Vice President, ABB Russia

DEPUTY CHAIRPERSON(S)

Aage V. Nielsen, Managing Director & Senior Partner, Vitus Bering Management Ltd.

AEB MEMBER COMPANIES

ABB; Agro-Chemie Kft.; American Institute of Business and Economics; BSH Bytowyje Pribory OOO; Business Finland Oy; Caterpillar Eurasia LLC; Credendo – Ingosstrakh Credit Insurance LLC; Dassault Systems LLC; DELCREDA; Dow Europe GmbH Representation office; DuPont Science and Technologies; Electricite de France (EDF Russie); ERGO Insurance Company; European Space Agency, Permanent mission in the RF; Eversheds Sutherland; EY; Ferrero Russia, CJSC; Ford Sollers Holding; Gasunie; GE (General Electric International (Benelux) B.V.); Generali Russia & CIS; Hyundai Truck and Bus Rus LLC; ISG support-GUS GmbH; Johnson Matthey PLC; Jungheinrich Lift Truck; JURALINK; Legrand Group; ManpowerGroup Russia & CIS; Merck LLC; Nokia; PBN Hill+Knowlton Strategies; PEAC Leasing AO; Philips LLC; Promaco-TIAR; PwC; Risk Advisory Group Plc.; Saint-Gobain; Samsung Electronics; Schneider Electric; SCHNEIDER GROUP; Servier; Siemens LLC; Signify; TABLOGIX; TechSert; Tikkurila; TMF Group; Unipro PJSC; United Technologies International Operations, Inc., Representative Office; Vitus Bering Management Ltd.

NUMBER OF WORKING GROUP MEETINGS

4

AEB OPEN EVENTS ORGANISED

AEB events

Date

Round table discussion "Sustainable energy – what does it mean?" (held within the Northern Dimension Forum)

04.04.2019

Open event "SPIC-2: a tool for innovation development and technology transfer?"

11.09.2019

AEB OPEN EVENTS ORGANISED

AEB external events

AEB session at INNOPROM Forum 2019 entitled "How to develop the export potential of the manufacturing sector in Russia?"	10.07.2019
AEB session at "OPEN INNOVATIONS Forum 2019", Business dialogue "Russia-Europe: European manufacturing and digital technologies for sustainable development"	21.10.2019
AEB session at "OPEN INNOVATIONS Forum 2019", Business dialogue "Technological drivers for exports development"	23.10.2019

WORKING GROUP ACTIVITIES, 2019

In 2019, the working meetings held by the Working Group on Modernisation & Innovations were focused on the priorities for the development in science, technology, and innovation sector, global challenges and current tasks within sustainable development global agenda, technological trends related to digital transformation through artificial intelligence (AI) driven development, big data, predictive analytics, Internet of Things (IoT), etc. The Working Group members took part in the meetings with the following invited keynote speakers: Mikhail Kovalchuk, President of National Research Centre "Kurchatov Institute"; Rene Pischel, Head of the European Space Agency's Permanent Mission in the Russian Federation; Alena Drobyshevskaya, Director, Head of Smart Technologies, KMPG Russia.

On 11 September 2019, the Working Group held its open event "SPIC-2: a tool for innovation development and technology transfer?". The meeting was focused on the technological and legal aspects of the updated mechanism of special investment contracts (SPIC-2). It served as a platform for the discussion of key challenges for innovation development and the diffusion of cutting-edge technologies in Russia, the perspectives for implementation of high-tech projects with the support of SPIC 2.0, advantages and disadvantages of SPIC 2.0 in comparison to SPIC 1.0 in terms of the protection of investors.

Traditionally, the Working Group on Modernisation & Innovations held its round table on energy within the Northern Dimension Forum. In 2019, the round table discussion moderated by the Working Group Chairman was entitled "Sustainable energy – what does it mean?". The conventional means of extracting energy from the environment always involves some type of impact on the environment. A historical, scientific, and technical background set the stage for discussions on a wide range of energy sources, including conventional fossil fuels like oil, gas, and coal, as well as emerging renewable sources like solar, wind, geothermal, and biofuels. There are no truly "green" energy sources – all energy usage involves some tradeoffs. It is very important to understand these tradeoffs and other issues involved in using each energy source. Exploitation of each potential energy source includes tradeoffs in economics, environmental, and policy implications. This discussion addressed the sources, technologies, and tradeoffs involved in meeting the world's and Russia's energy needs.

Following the previous years' practice, the Working Group on Modernisation & Innovations organised its sessions within the business programme of two significant forums: "INNOPROM" and "OPEN INNOVATIONS".

On 22 July 2019, the AEB session entitled "How to develop the export potential of the manufacturing sector in Russia?" was held. China and South-East Asian countries are considered as a world factory. Over the past decades, a modern production basis has been created in the region. With a low wage and overhead, it provides a high level of productivity at low cost. The utilisation of full

capacity is an extensive development path as it foresees the use of idle production capacities. That is not appropriate due to its technological non-competitiveness, a clear example of what is a low level of robotisation. Addressing these challenges requires the possibility for Russian enterprises to integrate into international production and logistics chains. Thus, it determines the possibility for the development of non-oil exports. The panelists discussed the measures that are to be taken to create enterprises in Russia, enabled to compete with the leading Asian manufacturers; industrial sectors as the most promising industrial sectors in terms of Russia's exports development. The session was moderated by Michael Akim, Vice President, ABB Russia, Chairman of the Working Group on Modernisation & Innovations.

On 21 and 23 October 2019, the Working Group on Modernisation & Innovations held two sessions at the "Open Innovations" Forum organised in a form of business dialogues. Both sessions were moderated by Michael Akim, Vice President, ABB Russia, Chairman of the Working Group on Modernisation & Innovations. The first of the sessions entitled "Russia-Europe: European manufacturing and digital technologies for sustainable development" was focused on digital technologies for sustainable development and societal perspectives of implementing new technologies. Europe is known as a global socially responsible technology leader. To transform the economy and to generate new and sustainable competitive advantages, the European business is transitioning to a low-carbon, more resource-efficient, circular economy.

Digital devices, namely sensors, transmitting, data collecting and computing power units could drastically help to optimise manufacturing processes for the sake of environment and to reduce impact on climate change. This transition is not only an opportunity for businesses and citizens, but a necessity from environmental, economic and social perspectives to move towards a more productive, and sustainable economy. The digital industry strongly supports this transition and has already taken several steps to advance it (e.g. digital technologies enable driverless and connected cars as well as car-sharing services that contribute to reduce emissions from transport; in the energy sector, digital technologies improve the efficiency of power generation, distribution grids and utility operations; in mining digital technologies ensure fully automated, robotized manufacturing and mining). The panelists discussed possible solutions on reduction of pollution and water consumption, use less damaging industrial, mining, agricultural practices and better recycling technologies, adaptation a digital manufacturing strategy, determining the priorities towards sustainability and decarbonization in key industrial sectors of economy.

The second session was dedicated to the topic "Technological drivers for exports development". Integration into global value chains (GVCs) is often considered as an important tool for expanding exports. The nature of the economy integration into GVCs (primarily, in terms of the volume of added value in exported goods) reflects the level of development of any industry within the national economy.

We currently observe a decrease in Russian exports complexity index. However, the rate of exports of services, including in traditional sectors, remains generally high. At the same time, the trend towards advanced growth of exports of services in information and communications (ICT) sector is evident. Loss of positions in GVCs and reduction of domestic added value may be due to the traditional orientation of enterprises on resource intensive goods, limited demand for high-value-added goods on the domestic market (including due to obsolescence of the standards for products with high processing levels), obsolescence of technologies and low level of innovative activity in order to achieve higher processing levels and upper stages of GVCs.

The technological and especially digital gap may enhance risks of the global market fragmentation and may lead to discrimination on technological development and economic opportunities in general. It is related to the prospects for shaping the groups of economies based on the most advanced technological platforms. In this regard, it is crucially important to create an up-to-date competitive product by means of applying the best global technologies and components.

The panelists discussed the most decisive technologies for the competitiveness of Russian products and solutions, technological innovations required to establish Russian enterprises, able to compete at the global level, required changes for developing integration of imported solutions and components to contribute to Russian exports growth and integration into GVCs.

WORKING GROUP ON THE REGULATION OF CHEMICAL PRODUCTS

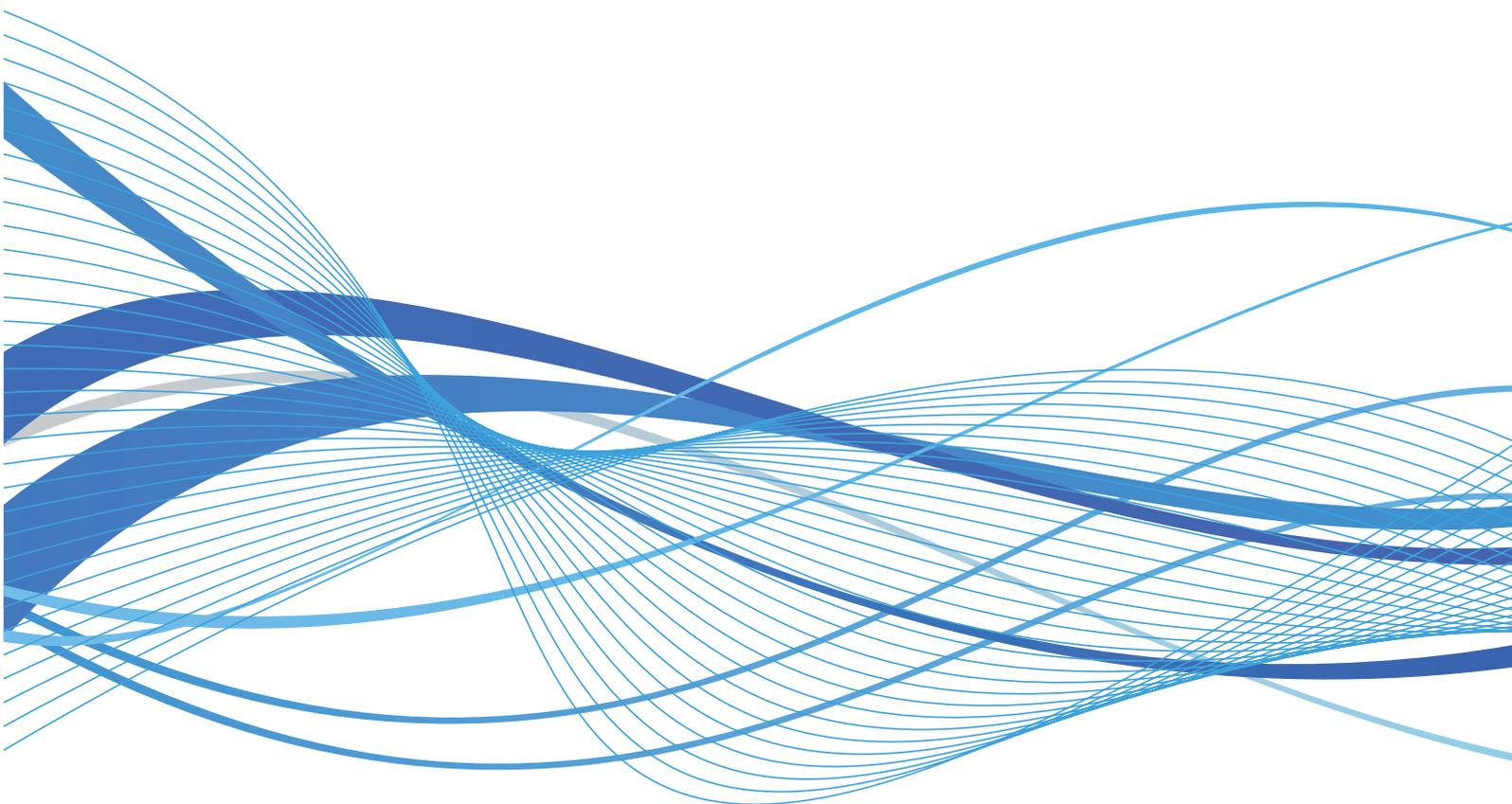
AIM(S)	<ul style="list-style-type: none"> • To harmonise EU and EAEU regulation on the safety of chemical products, so that to escape additional barriers for European manufacturers doing business in Russia. • TR EAEU 041/2017 "On the safety of chemical products" (adopted by the EEC Decision No. 19 on 3 March 2017, hereinafter the TR EAEU) and the main problems related to it.
CHAIRPERSON	Anna Trunina , Compliance and Technical Regulation Manager, Dow Europe GmbH Representation office
AEB MEMBER COMPANIES	Akzo Nobel Coatings LLC; Avon Beauty Products Company; BASF; British American Tobacco Russia; Castren; Caterpillar; Continental Tires LLC; Dow Europe GmbH Representation office; DuPont Science and Technologies; Electrolux; Evonik; Hempel; Henkel Rus; John Deere Rus; Jotun Paints LLC; JTI Russia; LANXESS OOO; KNAUF; Merck LLC; Michelin; Philip Morris Sales and Marketing; Porsche Russland; PPG Industries LLC; Procter & Gamble; Rockwool; Solvay Vostok LLC; Wacker Chemie Rus.
NUMBER OF WORKING GROUP MEETINGS	4

WORKING GROUP ACTIVITIES, 2019

In 2019, the Working Group on the Regulation of Chemical Products continued to comply with the Technical Regulation TR 041 requirements. The WG companies expressed concern about the lack of clear instruction from the state bodies on the upcoming cataloguing process for submission of data on chemical substances. For this purpose, the Working Group identified the most burning issues and addressed them via several letters to the Ministry of Industry and Trade officials.

Financial statements & Membership statistics

2019



FINANCIAL STATEMENTS

Consolidated statement of financial position as of December 31, 2019

	December 31, 2019 (⁰⁰⁰ EUR)	December 31, 2018 (⁰⁰⁰ EUR)
Assets		
Non-current assets		
Property, plant and equipment	273	39
Right-of-use assets	608	–
Intangible assets	38	26
Investments in associates	173	139
Deferred tax assets	3	3
Total non-current assets	1 095	207
Current assets		
Inventories	12	7
Income tax receivable	8	–
Other assets	62	75
Trade accounts receivable	9	9
Advances to suppliers	101	33
Cash and cash equivalents	3 002	3 351
Total current assets	3 194	3 475
Total assets	4 289	3 682
Liabilities and unreserved fund balance		
Unreserved fund balance	1 841	1 947
Non-current liabilities		
Lease liabilities	449	–
Total non-current liabilities	449	–
Current liabilities		
Trade payables	41	36
Income tax payable	3	12
Prepaid membership fees and advances received	1 549	1 531
Lease liabilities	210	–
Provisions	189	156
Other liabilities	7	–
Total current liabilities	1 999	1 735
Total liabilities and unreserved fund balance	4 289	3 682

Consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2019

	Year ended December 31, 2019 (^000 EUR)	Year ended December 31, 2018 (^000 EUR)
Membership fees	2 449	2 224
Events	177	164
Projects	358	355
Publications	12	11
Other revenues	31	56
Total revenues	3 027	2 810
Operating expenditures, net	(3 029)	(2 683)
Operating (loss)/profit	(2)	127
Finance income	40	302
Finance expense	(376)	–
Share of profit of associates	14	107
(Loss)/profit before income tax	(324)	536
Income tax expense	(27)	(59)
Net (loss)/profit for the year	(351)	477
Other comprehensive income		
Foreign currency translation differences	245	(234)
Other comprehensive income/(loss)	245	(234)
Total comprehensive (loss)/income for the year	(106)	243

Consolidated statement of changes in unreserved fund balance for the year ended December 31, 2019

	Retained earnings (^000 EUR)	Foreign currency translation reserve (^000 EUR)	Total (^000 EUR)
Balance at 1 January 2018	1 819	(115)	1 704
Comprehensive income for the period			
Profit for the period	477	–	477
Other comprehensive income			
Foreign currency translation differences	–	(234)	(234)
Total comprehensive income for the period	477	(234)	243
Balance at 31 December 2018	2 296	(349)	1 947
Total comprehensive income for the period			
Loss for the period	(351)	–	(351)
Other comprehensive income			
Foreign currency translation differences	–	245	245
Total comprehensive income for the period	(351)	245	(106)
Balance at 31 December 2019	1 945	(104)	1 841

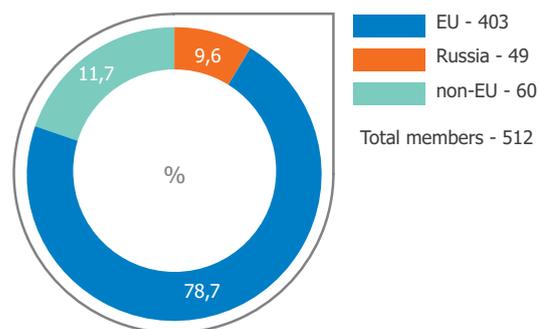
MEMBERSHIP STATISTICS

Members paid for 2019 sorted by country

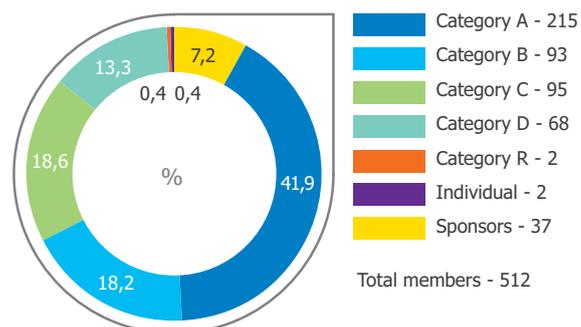
Country EU/EFTA	Total
Austria	12
Belgium	12
Croatia	1
Cyprus	10
Czech Republic	4
Denmark	11
Finland	30
France	56
Germany	89
Greece	1
Hungary	6
Ireland	4
Italy	22
Luxembourg	3
Malta	1
Netherlands	38
Norway	2
Poland	1
Slovakia	1
Spain	6
Sweden	21
Switzerland	25
UK	47
Total: 403	

Country Non-EU/EFTA	Total
Australia	2
China	2
India	1
Israel	1
Japan	13
Morocco	1
Republic of Korea	8
Russia	49
Singapore	1
Turkey	1
USA	30
Total 109	

AEB members by country, 2019



AEB members by category, 2019



AEB SPONSORS 2020

Allianz IC OJSC

Atos

Bank Credit Suisse (Moscow)

BP

Continental Tires RUS

Corteva Agriscience

Dassault Systems LLC

Enel Russia

ENGIE

Eni S.p.A

Equinor Russia AS

EY

GE

HeidelbergCement

ING Wholesale Banking in Russia

John Deere Rus

KPMG

Mercedes-Benz Russia

Merck LLC

Messe Frankfurt Rus

METRO AG

Michelin

OBI Russia

Oriflame

Porsche Russland

Procter & Gamble

PwC

Raiffeisenbank AO

Shell Exploration & Production Services (RF) B.V.

Signify

SOGAZ Insurance Group

Total E&P Russie

Unipro PJSC



Association
of European
Businesses

AEB MEMBERSHIP APPLICATION FORM / ЗАЯВЛЕНИЕ НА ЧЛЕНСТВО В АЕБ

Please, email a scan of completed and signed application form to: membership.application@aebrus.ru, and send the original document by post / Пожалуйста, вышлите скан заполненного и подписанного заявления на адрес: membership.application@aebrus.ru, а оригинал направьте почтой.

Calendar year/Календарный год: 2020

Name of your AEB Contact / Ваше контактное лицо в АЕБ:

1. COMPANY / СВЕДЕНИЯ О КОМПАНИИ

Company name in full, according to company charter in English & Russian. (Individual applicants: please indicate your business activities or the employer / Название компании в соответствии с уставом на русском и английском языках. (Для индивидуальных участников – описание предпринимательской деятельности или работодателя):

Legal address (and postal address, if different from legal address) / Юридический адрес (и фактический адрес, если он отличается от юридического):

INN/KPP / ИНН/КПП:

Phone Number / Номер:

Fax number / Номер факса:

Website address / Страница в Интернете:

2. CATEGORY: THE CATEGORY IS DETERMINED ACCORDING TO THE GLOBAL TURNOVER OF THE COMPANY / КАТЕГОРИЯ: КАТЕГОРИЯ ОПРЕДЕЛЯЕТСЯ ГЛОБАЛЬНЫМ ОБОРОТОМ КОМПАНИИ

Please attach the signed letter on the company activities and its global annual turnover on the company letterhead / Просьба приложить официальное письмо на бланке организации с описанием деятельности компании и указанием ее глобального оборота, заверенное подписью.

Please indicate the corresponding AEB Category / Отметьте, пожалуйста, соответствующую категорию:	Company's global annual turnover (EUR) / Глобальный оборот компании (евро)	AEB Membership Fee / Членский взнос АЕБ
<input type="checkbox"/> SPONSORSHIP / Спонсорство	--	12,000 EUR / евро
<input type="checkbox"/> CATEGORY A / Категория А	>500 million/миллионов	6,500 EUR / евро
<input type="checkbox"/> CATEGORY B / Категория Б	100-499 million/миллионов	4,000 EUR / евро
<input type="checkbox"/> CATEGORY C / Категория С	1-99 million/миллионов	2,500 EUR / евро
<input type="checkbox"/> CATEGORY D / Категория Д	<1 million/миллиона	800 EUR / евро
<input type="checkbox"/> CATEGORY I (EU/EFTA citizens only) / Индивидуальное (только для граждан Евросоюза/ ЕАСТ)	--	1,000 EUR / евро
<input type="checkbox"/> CATEGORY R (rep. offices) / Категория Р (companies registered in Russia by a rep. office only may join for the first two years with an adequate upgrade to follow) / компании, зарегистрированные в России только в качестве представительств, могут вступить на первые два года с последующим повышением категории до актуальной)	--	3,000 EUR / евро

Any non-EU/non-EFTA Legal Entities applying to become Associate Members must be endorsed by two Ordinary Members (AEB members that are Legal Entities registered in an EU/EFTA member state or Individual Members – EU/EFTA citizens) in writing / Заявление о вступлении в Ассоциацию любого юридического лица из страны, не входящей в Евросоюз/ЕАСТ, должно быть письменно подтверждено двумя юридическими лицами из Евросоюза/ЕАСТ или индивидуальными участниками-гражданами в Евросоюзе/ЕАСТ.

Individual AEB Membership is restricted to EU/EFTA member state citizens, who are individual entrepreneurs or who are employed by a company, which cannot join the AEB for the internal regulations /

К рассмотрению принимаются заявления на индивидуальное членство от граждан Евросоюза/ЕАСТ, занимающихся индивидуальным предпринимательством или работающих в неевропейских компаниях, внутренняя политика которых не предполагает членство в АЕБ.

All applications are subject to the AEB Board approval / Все заявления утверждаются Правлением АЕБ.

3. CONTACT PERSON / КОНТАКТНОЕ ЛИЦО	
Title, first name, surname / ФИО:	
Position in company / Должность:	
E-mail address / Адрес эл. почты:	

4. COUNTRY OF ORIGIN / СТРАНА ПРОИСХОЖДЕНИЯ	
A. For a company / Компаниям: Please specify the country of origin / Указать страну происхождения компании ¹	
or B. For an individual applicant / Индивидуальным заявителям: Please specify the country of which you hold CITIZENSHIP / Указать гражданство	
Please fill in either A or B above / Заполните только графу А или В.	

5. COMPANY DETAILS / ИНФОРМАЦИЯ О КОМПАНИИ			
Company present in Russia since: _____ / Компания присутствует на российском рынке с: _____ г.			
Company activities / Деятельность компании	Primary / Основная:	Secondary / Второстепенная:	
Company turnover (euro) / Оборот компании (в евро)	In Russia / в России:	Worldwide / в мире:	<input type="checkbox"/> Please do not include this in the AEB Member Database / Не включайте это в справочник АЕБ
Number of employees / Количество сотрудников	In Russia / в России:	Worldwide / в мире:	<input type="checkbox"/> Please do not include this in the AEB Member Database / Не включайте это в справочник АЕБ
Please briefly describe your company's activities (for inclusion in the AEB Database and in the AEB Newsletter) / Краткое описание деятельности Вашей компании (для включения в базу данных АЕБ и публикаций АЕБ)			

6. HOW DID YOU LEARN ABOUT THE AEB / КАК ВЫ УЗНАЛИ ОБ АЕБ?		
<input type="checkbox"/> Personal Contact / Личный контакт	<input type="checkbox"/> Internet / Интернет	<input type="checkbox"/> Event / Мероприятие
<input type="checkbox"/> Media / СМИ	<input type="checkbox"/> Advertising Source / Реклама	<input type="checkbox"/> Other / Другое

Signature of Authorised Representative of Applicant Company /

Подпись уполномоченного лица заявителя:

Date / Дата:

Signature of Authorised Representative of the AEB /

Подпись Руководителя АЕБ:

Date / Дата:

¹ In accordance with the country of registration and citizenship of the major owner / В соответствии со страной регистрации и гражданством мажоритарного собственника.

