

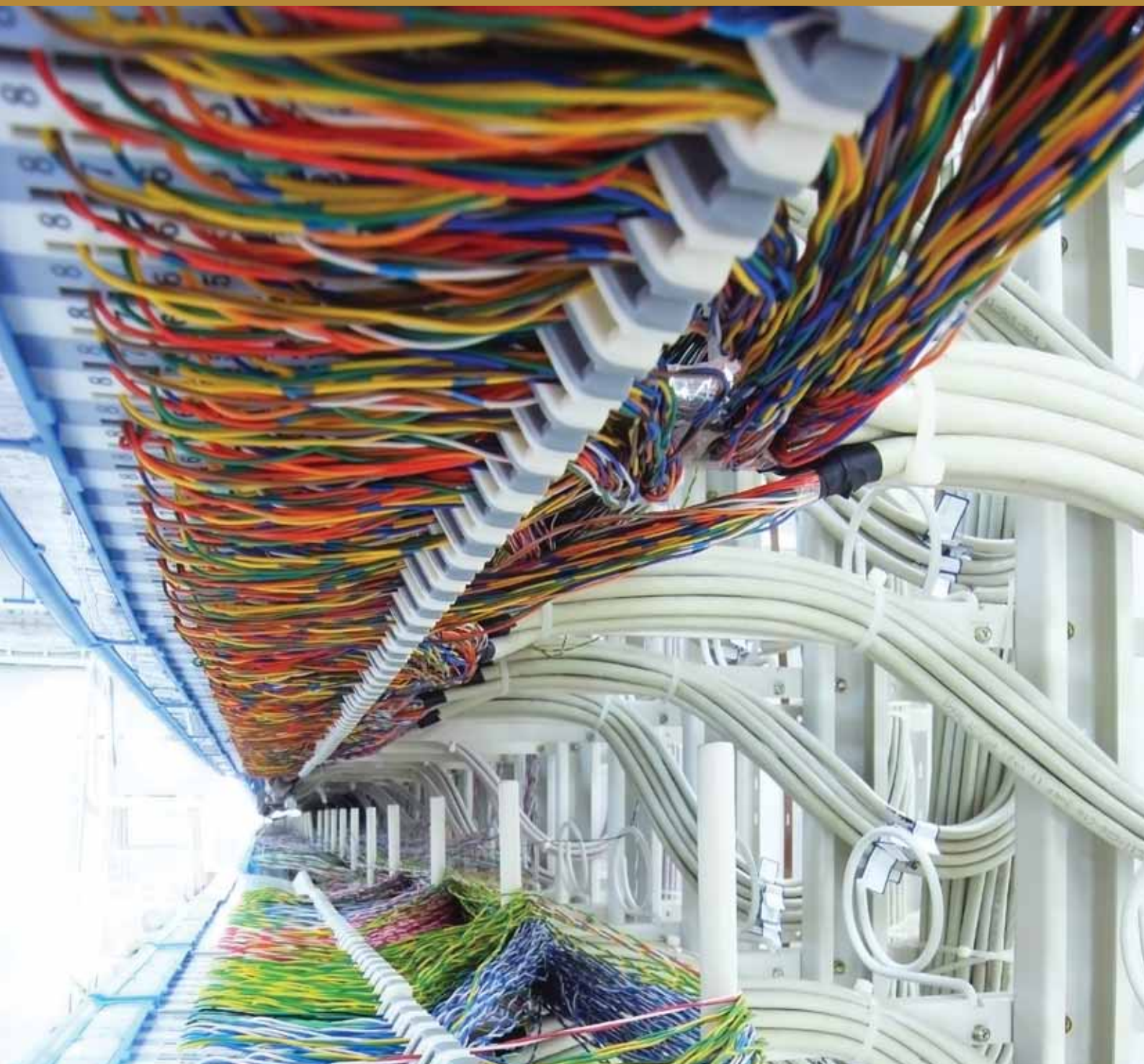


AEB Business Quarterly

Association of European Businesses

Quality • Information • Effective Lobbying • Valuable Networking

Winter 2013



IT and Telecom industry in Russia

With AEB updates on:

**current trends in the IT and Telecom markets/ news in the mobile service provider industry
legal aspects of running IT and Telecom businesses in Russia... and more**

ДЕЙСТВУЙТЕ

С НОВЫМИ ВОЗМОЖНОСТЯМИ.

Вообразите, что ваш бизнес способен стать таким, каким захотите. Вы сможете управлять им из любого места на Земле. Представьте себе будущее, SAP поможет сделать его реальностью. Форсируйте изменения. Не упускайте ни одной возможности. Мгновенно проникайте в суть процессов. Точечная оптимизация или полная трансформация бизнеса – SAP поможет вам действовать совершенно по-новому.

Действуйте, как никогда ранее. www.sap.ru/runbetter

ДЕЙСТВУЙТЕ ЭФФЕКТИВНЕЕ





Dear Readers,

Welcome to the winter issue of the AEB Business Quarterly Magazine!

The world is in a state of constant change. Advances are being made in business, science and technology and many other fields. With these changes come certain challenges, including ways of establishing a successful business, and it certainly requires new technological tools to make business productive.

This issue of the AEB Business Quarterly focuses on IT and Telecom issues. It is among the most progressive and fast developing industries in the world. Since the early 1990s, new technologies along with new business models have increased the world's dependence on IT. Business requires innovation and is constantly setting new challenges for the IT and Telecom sectors, thus creating opportunities for industry development and progress.

In this issue you will find analysis of the current situation in the Russian IT and Telecom markets, and practical advice from the best experts on how to make your business profitable in the current conditions. You will also get an update on some of the events organized by the Association and its Committees.

2013 is drawing to a close. As we get ready to face a new year, it is the Association's sincere hope that 2014 will bring a more stable world economy and success to all players in the global market.

Finally, permit me to wish each and every one of you a very Merry Christmas and a prosperous 2014!

With best wishes,

Frank Schauff
AEB CEO

AEB SPONSORS 2013-2014

· Allianz IC OJSC · Alstom · Aon Hewitt · Atos · Awara Group · Bank Credit Suisse (Moscow) · BNP Paribas · BP · BSH Group · Cargill Enterprises Inc.
· Caverion Elmek OOO · Clifford Chance · CMS, Russia · Continental Tires RUS LLC · Deloitte · DHL · DuPont Science & Technologies · E.ON SE
· Enel OGK 5 · Eni S.p.A · EY · GDF SUEZ · Gestamp Russia · HeidelbergCement · ING Commercial Banking · INVESTMENT COMPANY IC RUSS-INVEST
· John Deere Agricultural Holdings, Inc. · KPMG · LEROY MERLIN Russia · MAN Truck & Bus AG · Mercedes-Benz Russia · Messe Frankfurt Rus, O.O.O · METRO
Group · Michelin · MOL Plc · Novartis Group · OBI Russia · Oranta · Pepeliaev Group, LLC · Pirelli Tyre Russia · PwC · Procter & Gamble
· Raiffeisenbank ZAO · ROCA · SERVIER · Shell Exploration & Production Services (RF) B.V. · Statoil ASA · Stanton Chase International · Telenor Russia AS
· TMF Russia · Total E&P Russia · Volkswagen Group Rus OOO · Volvo Cars LLC · VSK · YIT Rakennus Representative Office
· YOKOHAMA RUSSIA LLC · Zurich Insurance Company

AEB BUSINESS QUARTERLY Winter 2013

CEO Letter

Introductory words from Frank Schauff, Chief Executive Officer of the Association of European Businesses

1

IT and Telecom industry in Russia

Introduction

Mamuka Markhulia, Head of Legal and Regulatory, Tele2 Russia

4

The Russian telecom industry is evolving for the benefit of the user

Ole Bjorn Sjulstad, Head of Telenor Russia AS

6

Russian Telecom Regulation 2013

Yury Dombrovskiy, President of Association of Regional Telecom Operators; Vasily Levchik, Head of the Normative Legal Working Group of Association of Regional Telecom Operators.

8

Great Russian Firewall: take out or play in

Anton Bogatov, Corporate Legal Counsel, TeliaSonera International Carrier, Russia

10

The New Persuaders: New horizons for Russian mobile service providers

Hervé Blanc, Managing Director, Head of Communications, Media and Technology practice, Accenture in Russia

12

The emergence of enterprise social collaboration

Edgars Puzo, General Director, Atos IT Solutions and Services LLC

16



Annual IMF Review of the Russian Economy, p. 35

Orange Business Services: a Global Partner for Global Projects

17

How to choose the right ERP system for your business

Svetlin Savov, Business Director, FTS Russia

18

Successfully Managing SAP Roll-Outs in Russia

Alexander Schachner, General Director, ALPE consulting
Christopher Ballnath, Director Business Development, ALPE consulting

20

Small solutions for your 1C accounting system that make a difference

Anne Richter, Senior Manager, ERP Business Development, RUSSIA CONSULTING

23

Despite advances in technology, there will always be a need for people

Luc Jones, Partner, Antal Russia

25

Race Across Russia (RARU). Online Tracking for World Record in Russia through SAP-based Mobile APP

Marco Mueller, Head of Marketing, SAP Russia & CIS

27



Briefing by Máire Geoghegan-Quinn, EU Commissioner for Research, Innovation and Science, p. 34

AEB News	31
AEB Committee Updates	36
Member News	40
Appointments	44
New Members	46



Round Table "Opportunities and Challenges in International Logistics in the Russian Federation", p. 31

Association of European Businesses

Board

Reiner Hartmann (Chairman)
Olga Bantsekina (Deputy Chair)
Roger Munnings (First Deputy Chairman)
Gerald Sakuler (Deputy Chairman,
Treasurer)
Christian Becker
Jon Hellevig
Jeroen Ketting
Philippe Pegorier
Vesa Vertanen

Council of National Representation

Austria – Dietmar Fellner
Belgium – Tikhon Evdokimov
Croatia – Jakov Despot
Czech Republic – Yana Ilovicna
Denmark – Aage V. Nielsen (Deputy
Chairman)
Finland – Teemu Helppolainen
France – Luc Charreyre (Deputy
Chairman)
Germany – Michael Harms
Greece – Stefanos Vafeidis
Hungary – Sandor Rethi
Iceland – Ingolfur Skulason
Italy – Costante Marengo
Ireland – Declan O'Sullivan
Lithuania – Julius Salenekas
Montenegro – Luka Nikčević
Netherlands – Lodewijk Schlingemann
Poland – Karolina Skrobotowicz
Sweden – Frederik Svensson
Switzerland – Marco Mariotti
Turkey – Ali Tunc Can
UK – Don Scott (Chairman)

Auditing Commission

Koschier Marco (Chairman)
Roman Semiletov
Gerard Uijtendaal
René Pischel

Chief Executive Officer

Dr. Frank Schauf

Publication name/Наименование издания: AEB Business Quarterly magazine/ Ежеквартальное деловое издание АССОЦИАЦИИ ЕВРОПЕЙСКОГО БИЗНЕСА
Published by/Учредитель: Non-profit making partnership "Association of European Businesses"/Некоммерческое партнерство "АССОЦИАЦИЯ ЕВРОПЕЙСКОГО БИЗНЕСА"
Chief Editor/Главный редактор: J. Bendel/Бендель Ю. Э.
Publication volume and number/Номер выпуска: 4 (31), 2013
Released date/Дата выхода: December 16, 2013/16 декабря 2013 г.
Circulation/Тираж: 16,000 copies /16 000 экз.

Cost/Цена: Distributed free of charge/Бесплатно
Publisher's address/Адрес издателя, редакции: 16, bld. 3, Krasnoprolletarskaya str., 127473, Moscow, Russia/Россия, 127473, г. Москва, ул. Краснопролетарская, д. 16, стр. 3
Printed by/Типография: MEDIACOM, Stolovy per. 6, 121069, Moscow, Russia/«МЕДИАКОМ», Россия, 121069, Москва, Столовый пер., д. 6
The AEB Business Quarterly is registered with Rosohrncultura, Certificate registration ПИ № ФС77-24457/СМИ "Ежеквартальное издание АЕБ" Зарегистрировано в Росохранкультуре, свидетельство о регистрации ПИ № ФС77-24457

All copyrighted images are taken from Katerina Grekova, www.shutterstock.com and www.dreamstime.com/Фотографии: Екатерина Грекова, www.shutterstock.com, www.dreamstime.com
The opinions and comments expressed here are those of the authors and do not necessarily reflect those of the Non-profit making partnership "Association of European Businesses"/Мнения/комментарии авторов могут не совпадать с мнениями/комментариями учредителя публикации, Некоммерческого партнерства "АССОЦИАЦИЯ ЕВРОПЕЙСКОГО БИЗНЕСА"

INTRODUCTION



Mamuka Markhulia, Head of Legal and Regulatory, Tele2 Russia

Dear Readers, It is my pleasure to introduce the last edition of AEB Business Quarterly in 2013.

Information Technologies and Telecommunications are among the fastest developing industries in Russia today. Although the rapid expansion of these industries is a global phenomenon, there are some unique features which make investment in Russian IT and Telecom especially promising, but risky at the same time.

The annual growth rate of IT-related business has exceeded 18% in Russia and is expected to reach 20% this year, which is three times higher than the world average. At the moment IT contributes about 2% of the national GDP but most analysts predict it will rise to 3% within the next two years.

Russia is ranked first in Europe in the number of internet users, with 70 million users in 2012.

Nevertheless, in comparison with the EU and USA, credit cards and online payment are less popular in Russia. Deep-rooted distrust in financial transaction security prevents full-scale commercial use of the internet. Some analysts suggest that this trend partially explains the national players' predominance in the market.

Despite this, e-commerce expanded rapidly in 2012, resulting in a doubling of cross-border postal traffic. However, internet shopping was mainly done abroad, revealing the weaknesses of the national postal service, as well as the customs clearance drawbacks. Early in 2013, the authorities had to replace the management of the Russian Post, in an attempt to

increase post capacity and support the skyrocketing online trading volume.

While big international investors were busy with the US and EU IT markets, strong domestic players emerged in Russia. Russian IT companies have been successful in developing and exporting software, and launching online services, while various government agencies, together with financial institutions and telecom companies, have become substantial consumers of locally-designed IT products. Thus, Russian large and mid-size IT companies have taken significant market share in IT services and software development. Not only have they been competing fiercely against international giants at home, but they have also started taking steps to expand internationally.

Despite this, the Russian IT and Telecom hardware industry has been facing hard times since the 1990s. The most vulnerable sectors are those producing hardware and software components. The Russian semiconductor industry is struggling, and now accounts for only 0.3% of the global semiconductor market. Russian IT and telecom equipment producers failed in competition with their international rivals. So far, none of the attempts on the part of the Russian authorities to protect and stimulate domestic telecom equipment production have borne fruit. Up till now, Russian mobile and fixed telephony operators have mainly been supplied with technology and hardware by international vendors. Equipment used in the Russian telecom industry is predominantly manufactured abroad. However, some experts believe the authorities will continue their efforts by introducing further restrictions on international vendors in an attempt to stimulate domestic manufacturers.

Regulation of internet services is becoming stricter. As in other countries, the Russian authorities are trying to establish rules for the often uncontrolled information flow within the web. Many of regulations in this area are very different from laws adopted in the EU. The new legislation on child safety (436-FZ, 2012, "Law on protection of children from information damaging their health and development") makes it mandatory for internet and telecom operators to pre-screen content and implement content filters. Although some perceive the new regulations as excessively limiting for the information technology industry, others believe the authorities do not intend that internet regulation should be excessive, nor should damage the Russian IT industry. My own view is that next year we will most likely see which tendency will prevail in the area of Russian IT regulation.

Surprisingly, the rapid expansion of the Russian IT industry has revealed a shortage of skilled workers. Russian universities do not supply enough IT specialists, and many young IT engineers are moving abroad to work. IT companies have to develop internal and external training programs to address the lack of qualified personnel, and even support some universities in introducing new Information Technology courses.

Another challenge IT companies are confronting is weak enforcement of intellectual property rights, especially, as far as software piracy is concerned.

The Russian telecom industry looks rather mature. Although the fixed telephony subscriber base is shrinking and becoming increasingly unprofitable, mobile operators are seeing a moderate pace of growth thanks to the digital era, and a surge of demand for data transmission.

Due to the absence of Mobile Number Portability (MNP), the number of mobile subscribers is growing as more and more people use more than one SIM card and communication device. As a result, the mobile subscriber base in Russia (when counting the number of active SIM cards) had increased to approximately 234 million by the middle of 2013, representing more than 164% of the population, with the highest penetration rate in Moscow and St. Petersburg, where it reached as much as 206%. Despite the authorities' decision to implement MNP by the end of 2013, it is believed that the mobile penetration rate will not drop significantly in the near future.

As long as Russian population density varies dramatically from region to region, fixed broadband internet will be unevenly available in Russia. Fixed broadband networks are relatively well developed in the European part of the country, but in the huge territory beyond the Urals, access is limited. That is why the Government is considering plans to eliminate the "digital

gap" and to insure broadband access to online services throughout the country.

On the other hand, Russia has experienced a sharp growth in mobile data consumption. The volume of data traffic surpassed voice traffic in 2012. These factors are paving the way for LTE technology adoption in Russia. The regulator distributed to big national mobile operators LTE licenses on 800MHz and 2600MHz. LTE1800 introduction is scheduled for 2014 and should enable regional GSM operators to start offering LTE services to their subscribers soon.

The growth in wireless access to the internet which, coupled with the prevalence of smart-phones, blurs the line between voice and data transmission. Penetration of 3G handsets is expected to exceed 2G handsets within about two years. Russian national operators have started promoting free on-net calls and first attempts at product bundling have been noticed in the market. However, the Russian B2C market for mobile subscribers remains primarily post-paid.

IT and Telecom are becoming robust industries in Russia. But there are still challenges and opportunities for further expansion and growth. World-class software and services in particular are still niche products, and export potential is largely unrealised. Also, complex customs clearance procedures impede advanced technology product and equipment import and export. Russian companies' spending on IT and Telecoms is significantly lower than in the West. The "digital gap" has still not been addressed, though the Government supports projects based on Public Private Partnerships with domestic and foreign partners as one of the ways to tie together the more digitised urban centres and the provincial and rural areas of the country.

I do hope in this magazine you can find answer to some of your questions about the industrial and regulatory environments, advanced technology products and services, and possibly find some suggestions about how to make a success of the IT and Telecom business in Russia. **BQ**



it's our world



- the only international telecommunication and integration services provider with a state-of-the art network infrastructure
- the world's largest seamless data network reaching 220 countries and territories
- local support in 166 countries with 18 000 specialists
- full range of integration and telecommunication services for b2b

www.orange-business.ru

**Business
Services**



Copyright © Orange Business Services [2013]. Все права защищены. Услуги лицензированы. Оборудование сертифицировано. Реклама.

THE RUSSIAN TELECOM INDUSTRY IS EVOLVING FOR THE BENEFIT OF THE USER



Ole Bjorn Sjulstad, Head of Telenor Russia AS

2013 was a special year for the Russian telecommunications market. The regulatory framework, press coverage and the whole landscape became more geared to the end-users' needs. This speaks louder than words about how socially important telecommunications have become. The debates between the regulator and the market participants became more open than ever. While it is common to complain about quality of coverage in Russia, in fact mobile phone and internet services are often on par with, or even superior to, those in other European countries.

As services become even more efficient, models and new technologies become vital for the Russian telecom sector. The Ministry has published a 10-point concise strategy and action plan for the years 2012-2018. Its main priorities are to set boundaries and not to regulate technical details, to encourage competition and to stop digital fraud. A large part of the action plan is devoted to the quality of mobile and internet services.

Strategic Similarities

As a company with over 20 years' experience in Russia, we are happy to see a set of goals and values that Telenor can relate to. In fact, there are numerous similarities between Russia's and Norway's views on the sector's development and creation of a digital society. Russia is a large country with a variety of time and climate zones, and

both densely and poorly-populated areas. Telenor also works in a variety of different markets in Western, Central and Eastern Europe and across Asia. We understand and appreciate the challenge of what we call "building a digital future for ALL." Just like Russia, we aim at offering all people same access to services, internet for all, and accessible and affordable mobile communications. Like Russia, Norway has remote and hard-to-reach northern territories and already has experience in rolling out the most modern network on the Arctic islands, where Russia also has territories.

Drive for the Quality and Availability of Service

This year, the Ministry has started prioritising the quality of internet and mobile services. It has set the industry a goal of 80% customer satisfaction with services. High-speed fixed-line internet

connections to homes should become a commodity just like electricity or gas. The Ministry is already working on making sure 5 million homes a year are connected to 100 Mb/sec internet.

This work is already in progress. As we speak, Ministry specialists are working on defining good quality service: how many times can a phone call fail? What is the acceptable amount of

While it is common to complain about quality of coverage in Russia, in fact mobile phone and internet services are often on par with, or even superior to those in other European countries.

noise on the line? What does a megabyte look like when you work online? The ministry says it is trying to make sure that users get exactly what they paid for and don't overpay for promises



that are not fulfilled. The companies who deliver poorer service than they offer will be fined.

While this sounds like very good news to users, press reports that operators got worried that the decisions on what is "good" quality and "bad" quality are subjective. Whatever the outcome, we welcome an open debate.

Just as the British discuss the weather, Russians have turned to discussing and criticizing the quality and availability of mobile and internet connections, and download speeds. Many Russians travelling abroad get a shock when they can't talk on the phone in the London Underground. It is quite rare that a cafe in a big city in Russia doesn't have free Wi-Fi for customers. Many cities have trams, trolleybuses and buses equipped with Wi-Fi, and the metro will soon be online too.

Internet for all

Improving the quality of service means having more connectivity, being available on the move, being accessible to more people and allowing big-

ger and faster data downloads. LTE, or Long-term Evolution, is a mobile broadband technology that provides faster and better mobile services. It is

Many Russians travelling abroad get a shock when they can't talk on the phone in the London Underground.

also called a 4th generation network, or simply 4G. In terms of introducing 4G, Russia is developing at the same pace as the rest of Europe. Most countries have given out or auctioned off LTE licenses and are seeing the development of this standard. Russia's major operators have received licenses and started offering LTE earlier this summer.

Everyone from the average mobile phone user to the largest telecom carriers is in no doubt that LTE is the future of mobile networks. Both Russia and Norway have taken a positive approach to the LTE rollout. And both of them will need to solve one key requirement of success: saturation of the market with LTE-enabled devices.

Russian regulators also need to do quite a job clearing frequencies that are often taken up by the military or civil organizations.

I think we all realize how important smart phones and tablets have become in our lives. With the latest technology, existing services will become even better, and eventually good quality TV services will be accessible as well. The mobile internet is truly approaching us, and mobile operators are competing to deliver the best service.

Connectivity on the Move

Mobile technologies are developing very rapidly around the world, including in the Russian telecommunications market. Even though there is still debate on the questions of the abolition of national roaming, MNP and network quality, one trend is clear: Russian telecom is evolving. And this evolution is becoming more and more customer-focussed. I think this trend is positive for both users, telecom operators and the nation as a whole. BQ

RUSSIA CONSULTING

Accounting • Tax • HR • Office • IT



We offer:

- ✓ Analysis
- ✓ Setup
- ✓ Training
- ✓ Maintenance

The introduction of Electronic Document Interchange (EDI) revolutionizes Russian accounting: primary documents and the unified document for accounting can be created, sent, confirmed and archived electronically. We take on the role of a project coordinator and organize EDI implementation including controlling the project status and informing all parties involved about necessary action steps.

RUSSIA CONSULTING can offer you all-round support for this innovative document handling solution. Implementing EDI and restructuring your document flow involves different departments - from IT to Internal Controls. With more than 400 in-house experts, we are able to offer you all necessary support from one source.

NEW

B2B e-Docs

+50% Efficiency in Accounting

Moscow +7 / 495 / 956 55 57
 St. Petersburg +7 / 812 / 458 58 00
 Hamburg +49 / (0)40 / 226 33 760
info@russia-consulting.eu
www.russia-consulting.eu

RUSSIAN TELECOM REGULATION 2013



Yury Dombrovskiy, President of Association of Regional Telecom Operators

Nikolai Nikiforov was appointed Russian Minister of Telecommunication on 21 May 2012. It took him about six months to form a new Ministry team. The Minister and his staff announced the goal of reforming industry regulations: reducing administrative barriers, maintaining competition, achieving transparency in the allocation and use of the radio-frequency spectrum.

The new Minister inherited from the previous management of the industry the following problems:

- The task of the leadership of the country to eliminate the “digital divide”, which requires the modernization of industry regulation and limitation of the Rostelecom monopoly and, on the other hand, the extreme inefficiency of universal service mechanism implemented generally by the same Rostelecom;
- The necessity of modernising the messy regulation regime which has 20 types of licensed telecommunications services, bans on direct traffic transmission (in favour of Rostelecom), and the absence of any responsibility on the part of officials for decisions about the allocation of the spectrum;
- The task of the leadership of the country to introduce Mobile Numbers Portability (MNP) populist



Vasiliy Levchik, Head of the Normative Legal Working Group of Association of Regional Telecom Operators.

legislative initiatives of deputies on eliminating national roaming, to strengthen the regulation of Value Added Services (VAS), etc.;

- The conversion of the 700-800 MHz spectrum allocated to the Big Four, for LTE on 3 May 2012, resolution of disputes relating to the use of LTE for the 1800, 1900-1920, 2500-2690 MHz;
- Merging Svyazinvest with Rostelecom prior to privatisation of the combined company, the necessity (according to the new Minister) of changing the management of Rostelecom;
- Reforming the Russian Post, which is suffering as a result of sharp increases in international e-commerce.

Up to the end of 2012, the Minister, directly or with the assistance of the Ministry, has published the following important indicative and norma-

tive documents aimed at impacting on operators' activities and further changing the regulation of the industry:

- The Minister formulated new goals for the industry development up until 2020;
- The Road Map for the development of competition from 28 December 2012, initiated by the Federal Anti-monopoly Service and providing a number of progressive measures, including technologically neutral communication services and the use of the radio frequency spectrum, elimination of redundant requirements for building telephone networks and Interconnect, improvement of the universal service, the exemption of public telephone services from the regime of natural monopoly relevant to the deregulation of customer tariffs;
- More liberal rules for the construction of Telecom networks, which eliminate the requirement to have a node in every Russian region.

In autumn of 2012 it was announced that Roskomnadzor would implement monitoring of the quality of communication services, including setting



quality standards with administrative punishments for non-compliance. This provoked a negative reaction amongst market participants.

At the end of the year, the Ministry consulted with market participants on the possible introduction of a mechanism for self-regulating organizations in the industry.

In 2013, the regulator was most active in the following regulatory areas:

- Preparing the regulation of MNP – in close cooperation with mobile operators;
- Preparing large-scale changes in laws and by-laws on radio spectrum regulation, licensing, non-discriminatory access, approval of Telecom networks, MVNO – with Ernst & Young and working groups comprising experts and market participants;
- Changing the management of Ros-telecom/Svyazinvest;
- Changing the management of Russian Post.

In 2013 the following important normative legal acts for operators were published:

- For Telecom operators the system of payment for the spectrum has been simplified and is closer to the European system. The value of their payment is now proportional to the width of the spectrum, not the number of radio-frequency spectrum assignments, as with other radio-services.
- From the many “rules of application”, a wide range of communications have been eliminated from the requirements for Electromagnetic Compatibility (in connection with the adoption of technical regulations Electromagnetic Compatibility of the Customs Union).
- New rules for the construction of networks according to which operators are allowed to share the network and build networks, distributed by regions, was adopted (order No. 284 of 6 December 2012).

In general, changes in the Russian telecoms regulations are favourable for the development of business and reduce the bureaucratic burden on the companies. However, they are

being implemented very slowly, due to difficulties in overcoming the resistance of the bureaucracy and the members of the dominant Telecom market players. For example, the Road Map for the development of competition, a report on the implementation of which should have been submitted to the Government Communications Commission in September, is still incomplete with only 25% of information prepared.

Major delays are connected with the regulator's unwillingness to allow technological neutrality in the GSM frequency. While in all EU countries the frequency range of 1800 MHz has been reformed for use in LTE networks, and in Eastern Europe such networks are already being built, the Russian regulator is not in a hurry to reform the rules here. Another barrier to the development of communication networks is the archaic set of building rules which prohibit direct transmission of traffic between operators in different parts of the Russian Federation. BQ



7000+
users



250+
clients



26+
countries

20 years

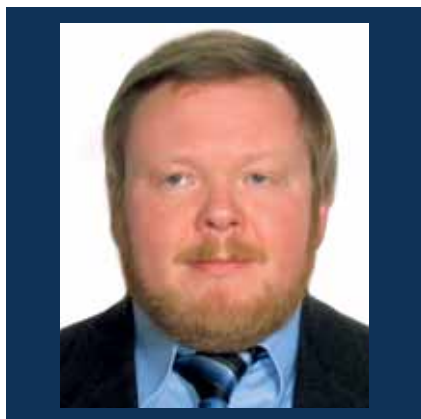




ERP / CRM / DMS / SERVICES / CLOUD

www.fts-eu.com Tel.: + 7 495 950 54 69 E-mail: info.ru@fts-eu.com

GREAT RUSSIAN FIREWALL: TAKE OUT OR PLAY IN



Anton Bogatov, Corporate Legal Counsel, TeliaSonera International Carrier, Russia

In the most recent restatement of Russian law, the internet blacklisting obligation attracted relatively broad media and public attention. Though the law itself was intended to prevent child-harmful information being spread over the internet, the possible consequences of these acts go far beyond obvious and reasonable objectives. More specifically, the restated (27 July 2013) version of the “Information, Information Technology and Information Protection Act” (hereafter referred to as “the IT Act”) provides the following blacklist procedure.

Once a resource is adjudged wrongful by the relevant authority, the respective URL is put onto the official register which is available to licensed operators but not published. Then, within one day, the hosting provider must notify the site owner about the illegal content. Then, by the following day the site owner is expected to have removed the wrongful content, otherwise the hosting provider is expected to restrict access to the site by the day after that. Should the site owner or the hosting provider neglect or intentionally ignore the access restriction then the regulator includes the IP-address of the site in the above mentioned register. All internet service providers are obliged to prevent access to the host identified by the blacklisted IP-number.

The IT Act provides not for a legal but an administrative process of

blacklisting. Generally, no court decision is required to declare the content wrongful. Though the Roscomnadzor is responsible for the blacklist register, federal government bodies are empowered to take the blacklisting decisions depending upon the reason of wrongfulness.

One might have hoped that the scope of blacklisted subjects was relatively limited and reasonable in terms of public interest. Indeed, such content as child porn, drugs advertisements or suicide assistance are considered contrary to public order in

almost every jurisdiction. However, the last category matters more than the first three, and is being criticized by experts in Russia and abroad for its ambiguity and vagueness. Generally, the prohibition is applied to information by the relevant court under either the “anti-extremist” regulations, or under intellectual property law. The latter reason is applicable only to movies and has to be decided in the Moscow Court by a special process.

The “extremist” criterion lacks any objective standard and is decided upon by a local court at the request



of the public prosecutor's office. A request should be based on an expert statement which might be subjective, or personal, or even politically influenced in certain cases. Such ambiguous legal empowerment gives wide scope to the government to purge any information from the Russian internet by virtue of a decision taken by a district court. These are far from being independent in Russia.

However, the threat of disproportionate blacklisting remains just a threat, as only a few prohibited items have actually been blacklisted. The reason for such a liberal approach might be more technical than political: Roscomnadzor doesn't have enough resources to find and register all sites with prohibited information. Nevertheless, the Russian government has an effective instrument for imposing formal legal restrictions on the freedom of speech in the Russian internet.

International carriers and telecom operators find themselves caught between the hammer and the anvil. From a local perspective, the law should be obeyed, but from a global perspective of a Multi-National Corporation (MNC), freedom of speech matters a lot. The law itself is contradictory and does not provide sufficient grounds to justify the broad blacklisting measures in the eyes of Western public. For example, once an IP-number appears in the blacklist register, the internet service providers should filter out its traffic. However, Russian telecom law provides a clear and fundamental boundary between a customer telecom services and interconnection services which are rendered between licensed telecom operators under special rules and regulations.

Pursuant to the language of the IT Act, the filter should be imposed only

by end-user service providers providing internet connectivity ("telematics services") to households or corporate customers. It means that common carriers are not expected to build or apply any filters if servicing no end customers. TeliaSonera International Carrier Russia officially requested clarification from the Russian Ministry of Telecommunications, but got total silence in response—even after repeated requests in writing. At the same time, Roscomnadzor has been continuously and consistently pushing the company to apply blacklist filters.

Cultural differences might be important when providing services or

goods internationally. The responsibility of an MNC is to maintain a balance between different jurisdictions, cultures, state interests and politics, despite the "political neutrality" of business. Sometimes ethics affect neutrality by making a company a kind of political actor, despite the fact that this role is not natural to business in general, and MNC business in particular. Business associations, though, provide a good opportunity to try to influence governments against involving multi-national corporations in political issues, in the hope that rationality and reasonableness can overrule political temptation. BQ



	Type of wrongfulness	Authorized body
1.	Child pornography	Roscomnadzor
2.	Information about manufacturing, purchasing or consuming of drugs and (or) their precursors.	Gosnarcocontrol
3.	Information about ways of committing suicide or suicide calls	Rospotrebnadzor
4.	Information it is prohibited to disseminate in Russia	Roscomnadzor

THE NEW PERSUADERS: NEW HORIZONS FOR RUSSIAN MOBILE SERVICE PROVIDERS



"According to the results of Accenture's research – Mobile Web Watch 2013 – CSPs have ample opportunities to ride the convergence wave to fulfil their consumers' need for control over their communication and entertainment needs – if they know how."

Hervé Blanc, Managing Director, Head of Communications, Media and Technology practice, Accenture in Russia

The new frontier

Growth in voice revenues has plateaued; at the same time, demand for data services is exploding. The survey shows smartphone ownership growing rapidly, with almost a third of respondents who don't currently own a smartphone saying they intend to buy one within the next 12 months. Use of tablets should also grow rapidly with one fourth of respondents intending to get one during the next year.

In Russia 44% of respondents currently own a smartphone, another quarter of them are planning to buy one. The survey shows that the vast majority of them is interested in more

frequent use of internet calls if data connection improves.

While CSPs work to maintain voice revenues, the rapid rise in data volumes is forcing them to invest heavily in 4G wireless networks to better manage changing traffic patterns and ensure quality of service. An increasing number of CSPs are investing in LTE technology in a continued attempt to slow the commodification of connectivity.

Perhaps most notable is that nearly a third of mobile internet users (28%) globally and 32% in Russia express no preference for type of provider, so long as their needs are met. This leaves

The mobile customer is changing globally, and Russia is no exception. Empowered by smartphones and tablets, savvy consumers have come to expect immediacy at their fingertips. They want everything, everywhere, now. The device and the network are simply the means by which they manage and control the communication and entertainment aspects of their lives. They want a breadth of digital offerings at their fingertips and are open to receiving those offerings from the best provider—whoever that may be.

As pressure on their core voice business mounts and with billions of dollars being poured into improving the network infrastructure, Communication Service Providers (CSPs) are asking themselves four fundamental questions: are customers willing to pay more for better connectivity? Will migration to internet calls make traditional voice calls defunct and accelerate the transition to new business models for CSPs? Who will own the customer in future? What is the demand for new services, such as mobile payments, personal cloud, location-based advertising and augmented reality? An extensive Accenture survey of some 31,000 mobile consumers in 26 countries answers those questions and shows that, apart from the challenges, there are also exciting opportunities for CSPs to redefine their role in the communication value chain.





CSPs in an uncertain situation. With smartphones in hand and over-the-top players providing them with a myriad of apps, consumers no longer feel compelled to buy from the mobile provider, or remain loyal. At the same time they assume the network that enables their communications and entertainment access will always be there and keep pace with their need for speed. CSPs are caught in the dilemma of having to make significant infrastructure investments while battling for the wallet of the elusive consumer.

Opportunities for Persuasion on the New Frontier

Despite these challenges, our research shows there are exciting opportunities for CSPs. Mobile internet users indicate that network speed, digital services and mobile payment capabilities are all areas where CSPs can persuade them to invest.

First and foremost, mobile internet users are willing to pay more for faster internet connections. 63% of the consumers (overall) using 3G broadband or lower are willing to pay for faster connectivity. Russian users share this opinion: about one quarter of smartphone owners find the internet too

slow and up to 80% of respondents would approve of extra costs.

Consumers want a wide array of digital offerings, and if an offer intrigues them, they will grab it from a mobile provider, device maker or other provider. CSPs have the opportunity to expand aggressively to provide a larger breadth of digital offerings. Areas that show promise from our survey include cloud services and location-based offers.

Cloud services may be used by up

Nearly a third of mobile internet users (28%) globally and 32% in Russia express no preference for type of provider, so long as their needs are met.

to 70% of mobile internet users in the near future. Consumers are also willing to pay for cloud-based storage, online backup, sharing and collaboration services.

The good news for CSPs is that when it comes to cloud services, consumers' preferred providers are their mobile service providers: nearly one-half of people using or interested in cloud services would want their mobile provider to offer them; device mak-

ers ranked second (but significantly lower); while specialized cloud providers ranked far behind. Russian users are even more inclined to trust their mobile providers, when it comes to cloud services, than users in other countries.

The high interest among consumers in cloud services indicates that it is both important to meeting consumer needs and a source of customer stickiness. CSPs will need a portfolio of offerings to achieve customer ownership. This could be one.

Location-based services are also becoming quite important to both consumers and advertisers. Among consumers who access the internet via a smartphone or tablet, 72% are willing to disclose their location on their mobile device. And while ads and banners encountered while surfing the net are found annoying (65%), location-based advertising that is relevant and timely (and preferably accompanied by coupons and discounts) is well received. Russian users, who ignore ads even more than the rest, react only to coupons and in-store messages.

The most effective mobile advertising targets consumers not only by customer profile but also by location. This was successfully used by U.S.-based



Starbucks Coffee Company. As consumers clicked on their ads, they could read more information on the product while being shown the Starbucks closest to their current location where they could see the product in person.

Indeed, Starbucks and other mobile advertising leaders have effectively used multiple mobile capabilities to promote products, including augmented reality. Starbucks Mobile app, Cup Magic, lets customers create animated cups, while Guinness's Blippar app lets consumers decorate their pint of beer with holiday motifs.

Another service highly attractive to consumers is that of mobile payments. Already 20% of smartphone users use them. That number could more than double in the near future, as 31% plan to use mobile payments in the next 12 months.

The most common goods paid for by mobile payments include tickets for events such as concerts, cinema and

theatre (55% of mobile payment users) and tickets for transportation such as air and rail (47%).

However, at least one third of mobile payment users have also purchased goods such as clothing, groceries and other consumer goods. For

Cloud services may be used by up to 70% of mobile internet users in the near future. Consumers are also willing to pay for cloud-based storage, online backup, sharing and collaboration services.

example, in part because of a highly effective mobile campaign, Starbucks now processes more than 2.1 million mobile payment transactions each week. Russians are behind the market average as regards variety of goods bought via mobile phones. They keep the pace only when purchasing other consumer goods.

While most of the respondents prefer banks as their mobile payment service provider (89%), 77% overall are ready to consider a mobile carrier's service as well.

Mobile payments are so important to mobile internet users that many say they would be willing to switch their mobile provider, bank, device manufacturer or merchant in order to be able to use them.

New services bridge the telecoms industry to other industries from banking and financial services to consumer goods and the public sector. As these industries converge, mobile phone usage will broaden dramatically, becoming the means to do previously inconceivable things, from making payments to watching videos to operating an intelligent home. As a disruptive force, convergence is a threat to the unprepared, but a tremendous growth opportunity for companies that can out-innovate and out-execute their ever-expanding list of competitors under dramatically new marketplace rules.

The "Must Haves"

While possibilities to innovate are endless, the "table stakes" are no less important to maintain. From a "must have" perspective, network quality topped the list: 96% of users say it is very important in their choice of a mobile provider. As an example, 83% of Russian mobile internet users are eager to pay more for a better connection, 9% of them would accept a price increase of more than 30%. This is followed closely by coverage, connection speed and the cost of data connections. Customer service is an important selection criterion to almost 90% of consumers as well.

While the top requirements are clear, CSPs' performance in these top areas is less than stellar. Fewer than 40% of those rating it as important were satisfied.

Security also remains a top concern. 70% of respondents indicate it. Nearly half of those not currently using mobile payments said that was because of concern that their payment will not be secure. Another fear is that personal information may be stolen and used publicly.

Mobile phone usage will broaden dramatically, becoming the means to do previously inconceivable things, from making payments to watching videos to operating an intelligent home.

Another reality our survey identified is that internet calls could replace circuit-switched voice calls sooner than expected. Overall 32% of smartphone users are placing internet calls on their mobile phones, and 14% plan to do so in the next 12 months.

As the trend toward internet calling progresses, leading CSPs will be proactive in determining how best to defend their market. By assuring quality of service as they manage new traffic patterns, and by reconsidering the structure of data plans, CSPs can be well positioned to capitalize on opportunities presented by the shift.

The New Persuaders

The new customer sets new requirements, but thanks to customer owner-



ship and distribution power, CSPs are in a position of strength from which to meet consumers' ongoing communication and entertainment needs. As the survey shows, Russian subscribers are prepared to remain loyal and not to look for other solutions if the mobile service providers heed their changing needs.

With the right capabilities, innovative CSPs can blaze a trail on a new frontier. They can persuade mobile internet users to relinquish some control, instead of trusting them as the providers to fulfil the bulk of users' communication and entertainment requirements. **BQ**



Allianz has developed and launched an exclusive VMI Programme for AEB members – Allianz MedExpert

Allianz MedExpert – Our contribution to the benefit of your employees

Advantages of Allianz MedExpert

Flexibility

- wide range of programs and options as well as numerous medical facilities
- available for relatives
- additional options for pregnancy and childbirth

Regional coverage

- the same pricing model as for Moscow program
- considerable discounts
- full flexibility of the clinics at the same time

For more information please visit our website
www.aeb.ru/membership/vmi

Quality

- all employees have the same wide coverage and access to the same first class services regardless of the program level

Transparency

- the pricing of the programs is independent of the number of insured and every AEB member has access to the same competitive prices

Value for money

- small and medium sized companies can achieve significant savings relative to comparable VMI programs

Price stability

- option to enter into a two years contract as a solid basis for budgeting purposes

Allianz 

OJSC IC Allianz, 30 Ozerkovskaya emb., Moscow, 115184, License by the Federal Service for Financial Markets C №0290 77

THE EMERGENCE OF ENTERPRISE SOCIAL COLLABORATION



Edgars Puzo, General Director, Atos IT Solutions and Services LLC

The revolution in communication technology that has taken place over the past 25 years has transformed the way in which businesses operate.

The rapid uptake of email and the growth of mobile devices has delivered anytime, anywhere access: enabling truly global, follow-the-sun enterprises to interact with their employees, supply chain and customers in near real-time. Social media have created online communities linking people regardless of location or time zone. For a generation brought up with these technologies the idea of a workplace without them is unthinkable. And the same is happening now with enterprise social collaboration.

Starting with SMS, instant messaging and blogs are taking a more structured form with social networks such as Facebook and Twitter, collaborative media are now the new norm by which the next generation of employees communicates. In fact, for many under the age of 20, email is almost redundant. Instead they use the messaging tools of their preferred social networks. It's not a fashion, but an essential part of people's lives, connecting them 24/7 to news, ideas, thoughts and information generally via tablets, smartphones and netbooks. They are accustomed to accessing information via multiple channels, using the device that suits their purpose at the time. They assume that technology will be designed to

meet their needs and they expect the same in their working lives. This is not something business can ignore. In fact, by bringing these tools into the working environment a business can take advantage of collective knowledge, make it easier for people to solve problems and work together, and become more responsive, more competitive. Enterprise social collaboration can put your business ahead of the curve.

New communication and collaboration tools have emerged. These offer alternatives to email, making it much less relevant. Open, multi-platform communication is fast becoming the norm. It is common for content to be expressed in multiple "dimensions" at the same time.

Even some of the new technologies are out of date. Email, corporate intranets and knowledge management solutions could hardly be considered "old" technologies. But in the context of true collaboration they are out-dated, using rigid methods and structures that don't take advantage of the free-form approach of enterprise social collaboration. Breaking away from fixed workflows and enabling free communication and discussion enables employees to find the most effective way of solving each new challenge, rather than following a single, inflexible approach.

Businesses will have to invest in new technology, integrating elements of social media throughout the enterprise to provide an environment in which their employees will be able to work most effectively. This isn't about pandering to their needs. A new wave of enterprise social collaboration will drive efficiency and enable greater levels of cooperation regardless of location, whilst removing much of the "noise" and productivity drain that is

the result of email overload in many organizations today. These new tools will help manage the volumes of data that are hampering businesses and distracting individuals from their core tasks. Anytime, anywhere working will enable employees to work in the way that is most effective for them—and most productive for the business. With a collaborative environment, based on social media, the new workplace is wherever it needs to be. Mobility is the new standard and employees will be free to work where and when they are most productive. Careful management will create a much more flexible approach that better serves the work/life balance of the individual and the needs of the business.

In addition, the trend for people to use their own devices (smartphones, tablets, netbooks etc) within the workplace is hard to resist, but it does pose significant compliance and security risks. However, a collaborative environment based in the cloud or delivered on an SaaS basis can take advantage of this trend whilst protecting the business.

At the same time some of the new challenges will become easier to handle. For example, Big Data threatens to overwhelm business, but by making it easier for individuals to access and collectively analyse and interpret only the information they need, decision-making will become devolved, faster and more precise.

As a society, we are producing data on a massive scale that is fast polluting our working environment and also encroaching on our personal lives. We are taking action now to reverse this trend, just as organizations took measures to reduce environmental pollution after the industrial revolution. **BQ**

ORANGE BUSINESS SERVICES: A GLOBAL PARTNER FOR GLOBAL PROJECTS

Business development in a foreign country is always a challenge. Researching a new market and working with local partners tests established business processes and can cause costs to spiral out of control. Yet it can be a different story if the international partner has a thorough knowledge of both local conditions and the customers' needs in the new market. One of the main requirements of modern business is the safe transmission of information, with established communication between divisions. The issue can be especially acute when business units are opened abroad, separated from the company's infrastructure. It is important not only to optimise costs for setting up new infrastructure, but also to provide common standards for planning, managing, supporting, calculating and other aspects of the infrastructure's functioning.

With a view to minimizing expenses, companies often turn to the services of local suppliers, who offer more favourable conditions for breaking into the new market. And although territorially a company can create its own international infrastructure, in practice, managing a group of local providers raises the problem of the diversity of a network, in whose various segments differing algorithms, policies and protocols defining routing and infrastructure security are applied. As a result, the company needs to have an additional workforce of IT specialists who will provide centralized management and monitor the work of the local suppliers.

A more rational solution is to rely on a global supplier of telecommunication and IT services on both the domestic and foreign markets in order to enjoy the advantages of a single gateway for all the company's requirements.

The case of Nordgold, a gold producer, can be used as an illustrative example of these issues. Over the last two to four years, the company has significantly expanded its business by acquiring new assets and developing existing ones. In 2012, Nordgold, which already operated the Lefa mine in Guinea and Taparko mine in Burkina Faso, and was building the Bissa mine in Burkina Faso, was faced with the task of creating reliable communication channels in order to hold video-conferences between its Moscow office and its African sites.

After it was decided that the company would need video-conferencing, it became clear that the capacity of the existing channels was not adequate for this. So it was decided to build a new communication channel to provide the required capacity.

It goes without saying that satellite channels are more expensive—at least five times the cost of ground or radio communications. But geography dictates everything. Under these conditions, taking into account the facilities' location, there was no alternative. The customer required a high-quality video connection, and satellite technologies turned out to be the only acceptable option.

Nordgold issued an invitation to tender in order to select a provider that could complete this project. Orange Business Services won the tender and, judging from the project's results, the customer is completely satisfied. During the search for the contractor, it was important for the customer that the service provider have the relevant expertise and sufficient experience. It is a given that Orange's status as a global company was a great advantage. Orange has the wherewithal to attract African specialists whose local experience helped to minimise project

costs and positively affect deadlines and the quality of the work. Finally, Orange uses modern technological solutions that make it possible to carry out complicated, unique projects for a business. As a result, the customer now has reliable, high-quality video-conferencing and an optimal support program.

For this project, Orange specialists first examined the sites and conditions where the equipment needed to be monitored. Orange is a global company, and at this stage it hired a local team. This made it possible to reduce expenditure on travel for Russian employees and on the search for African subcontractors. Furthermore, local experts were better informed about the region's specificities, which was vital. It was then necessary to prepare the sites: lay concrete foundations, fit them with fasteners and so on. The equipment was being purchased at the same time. This came not from Russia but directly from the manufacturers, which also helped reduce project costs. Particular complications were logistical ones because the laws of both Burkina Faso and Guinea impose special requirements for the import of high-technology equipment. Despite this, everything was completed on time. Once the equipment was delivered, a team of Orange specialists went to assemble and adjust it. After the new channels were connected to the Nordgold network, tests were conducted. The set-up of high-quality video-conferencing has benefited the company's bottom line. It has helped to reduce the cost of business trips and international telephone calls, and it has brought improvements from a management perspective, first and foremost speeding up the process of managerial decision-making. **BQ**

Based on Orange Materials

HOW TO CHOOSE THE RIGHT ERP SYSTEM FOR YOUR BUSINESS



Svetlin Savov, Business Director, FTS Russia

It is no secret that ERP (Enterprise Resource Planning) systems are a must for companies that want to improve their business processes and achieve better results in the current economic conditions. Companies that have decided to implement an ERP system are usually interested in achieving one or more of the following objectives:

- Changing all or part of the business processes to increase efficiency and to adapt to changing market conditions.
- Clarity and transparency of business operations and finance.
- Improved coordination and communication between the various departments and offices of the company.

Besides these, every organization has its own specific reasons. For a manufacturing company these could be reduced inventory levels, increased production volume and profit etc. A service company might aim to optimise resources and increase project profitability. Among the objectives of an ERP system implementation you can often find:

- Increasing the percentage of orders delivered on time;
- Reducing obsolete stock levels;
- Shortening the cash-to-cash cycle;
- Reducing the supply chain costs;
- Speeding up customer order processing;
- Improving customer satisfaction;
- Reducing the time spent for administration and period-end closing;

- Producing timely and accurate management reports.

The selection of an ERP system requires the involvement of representatives from different departments of the company who will work together to achieve efficiency in every process. This coordination involves both the technical side of the ERP implementation and the company business processes. A good synergy has to be created between the buyer, the supplier and the implementation consultant of the ERP system. The purchase of an ERP system not only requires a detailed understanding of the solutions available in the market but also, even more importantly, requires definition of the requirements and needs of the company. Below you can find eight tips which have been learned from experience in selecting an ERP system:

1. Define the long-term company strategy

Different companies employ different ERP strategies. Some companies prefer ERP systems with specialized functionality for their industry instead of multifunctional, general ERP systems. Others simply want to replace

an outdated ERP system with one that is considered modern and less risky. A third switch ERP systems because their business has developed rapidly or they have been acquired by another company. Some companies look for ERP systems which incorporate the best practices for their business and would help them optimise their business processes. Regardless of the strategy you choose, make sure that all members of your ERP selection team agree with it.

2. Look for a solution that fits your business

Just because every ERP system has a production module does not mean that it is suitable for your manufacturing business. For example, if you are in a discrete manufacturing business, a process-oriented ERP production module will not work for you. It is important to define your requirements for the system according to the specific needs of your industry and company.

3. Evaluate existing IT infrastructure

Make an inventory of the existing hardware and software systems in the company. Take into account the fact that each ERP system may have differ-





ent requirements for IT equipment. Consider also the option of using the Software-as-a-Service (SaaS) delivery model for your ERP system instead of the traditional software licensing.

4. Focus on ERP solutions that meet your specific requirements

Different ERP systems are designed for different types of organizations, both in terms of size and of industry specifics. It is important to choose a solution that meets the specific needs and requirements of your company. For example, an ERP solution designed for manufacturing companies will have features that you will hardly need if you are a distributor of fast-moving consumer goods.

5. Carefully evaluate your potential ERP suppliers

Ask for references from their customers. Find out whether they have experience with ERP implementations in your industry. Make sure that they have the backing of a global provider of ERP solutions to ensure that the system you choose will be developed and upgraded over time. Many suppliers of ERP solutions also offer CRM (Customer Relationship Management) and BI (Business Intelligence) solutions. Consider their expertise in these areas, if you plan implementation of such solutions in the coming years.

6. Plan for the future

Select an ERP solution that will “grow” with your company. Consider not only the modules and functionality that are needed now, but also those that may be needed in six months or a year’s time, according to your plans for business development. An ERP system is a long-term investment. You need a solution which is flexible enough to grow and change with the business processes and new initiatives

in your company, and which enables you to easily add new users.

7. Calculate the total cost of ownership (TCO) of each ERP solution

The total investment in an ERP system is more than the value of the software licenses, but also includes the cost of implementation and maintenance, further development and user training.

8. Insist on a demonstration of the ERP solution

Many suppliers provide online demos of their ERP solutions which are not detailed enough. Arrange a meeting with the ERP supplier and ask for an in-depth demonstration of the modules and functionality that you would like to implement. Ensure that employees from the different departments of your company that will use the ERP system attend the demonstration.

The success of an ERP implementation project depends on many inter-related factors such as a clear understanding and definition of the requirements of your company, careful selection of an ERP solution and the consultants to implement it, smooth implementation and, last but not least, efficient maintenance and regular upgrading of your ERP system over time. BQ

THE AEB CONFERENCE CENTRE IS AVAILABLE FOR YOUR MEETINGS AND CONFERENCES

- Up to 3 rooms, accommodating 10-70 people
- 5-minute walk from Novoslobodskaya metro station
- Equipped with WiFi and a modern air conditioning system
- Multimedia overhead projectors, professional audio equipment, laptops, flip-board available for your convenience
- Coffee breaks
- Affordable pricing, with even better rates for AEB members



Contact: Vera Solovaya

Email: vera.solovaya@aebrus.ru, Tel.: +7 (495) 234 27 64 ext. 149

SUCCESSFULLY MANAGING SAP ROLL-OUTS IN RUSSIA



Alexander Schachner,
General Director,
ALPE consulting

International companies, whether from Europe, the US or elsewhere, are continuing their expansion into developing markets due to the ongoing sluggish economy in the developed world. This trend continues to be strong in Russia as well. And of course there are companies from all sorts of industries expanding into Russia, but companies with a manufacturing and product background, versus services, clearly tend to dominate. So whether a company is a market leader in spices, the world's largest producer of wiring harnesses, a worldwide market leader in the automotive industry, or an expert for shower enclosures and radiators, in many cases these companies will be running SAP as their ERP system.

As a brief aside, Russia is a key market for SAP, which had a market share of well over 50% as of 2012 and it looks as though Russia which is currently the 4th largest SAP market in the world could be the 3rd largest by 2015. Equally fascinating, but worrying at the same time, is the forecast, that by 2015 Russia will require approximately 20,000 specialized consultants but there will only be around 14,000. How this gap of circa 6,000 experts should be managed is still unclear but having been active in Russia and CIS for more than 7 years now,



Christopher Ballnath,
Director Business Development,
ALPE consulting

ALPE consulting can surely confirm the profound lack of highly qualified SAP professionals.

So, a company expanding into Russia and opening up its operations here, if it's already running SAP back home, in most cases will also implement SAP in Russia. The company will want to take its specific Global SAP Template that is already employed world-wide and adapt this (localizing it) to the specific Russian legal and regulatory requirements to produce a fully functional and legally accepted local SAP Template. This is what we call a SAP "Roll-Out". (See figure 1.) Unfortunately, for Russia in particular, a Roll-Out sounds a lot simpler than it actually turns out to be.

According to SAP, Russia is one of the top 5 most difficult countries world-wide to localize a company's Global SAP template. Important to note here is that international IT Directors and Business Executives (CFO, CTO, Program Managers, etc.) very often try to use their Roll-Out experiences from other European countries and copy the time, budget and overall effort onto the SAP project in Russia. If this is not corrected at an early stage, it will most surely end up either costing the company a lot more than would have been necessary with realistic planning and

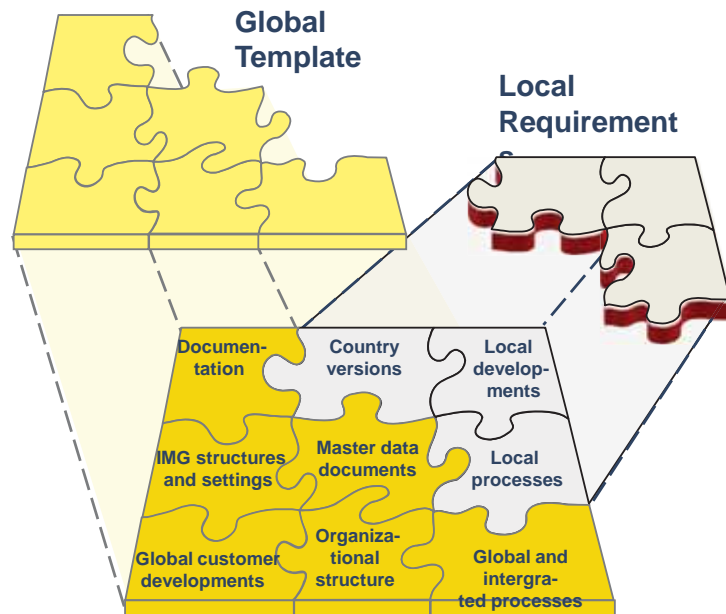
budgeting or in the worst case lead to a complete failure of the Roll-Out.

What are some examples that make Russia so "special"? Why is it so difficult to adapt SAP here? There are too many to mention, but we can name a few:

- Russian Accounting (RAS) is fundamentally different from the international standards GAAP or IFRS. No matter whether your company is using GAAP or IFRS, your entire SAP system in Russia needs to run in parallel according to RAS.
- Russian Accounting is based on paper documents. Any action by the company requires a paper document – with a stamp (preferably round!) and signature of the responsible person – to be issued and confirmed. Therefore, almost all transactions, whether they are financial or logistical in nature, require an output in the form of a paper document. Now some more experienced readers will object and point out that the Russian "Add-On" already contains the automated and localized Russian Reports. Yes, you are absolutely right! But... while most of the necessary reports are included, this is not a simple plug and play solution. The reports must be changed and adapted to fit and suit the company's specific requirements. This takes time and know-how!
- Profit Tax Accounting: Profit Tax (PT) concerns a very wide range of issues because there are many gaps between RAS and PT Accounting. Some examples of the differences between the two are cost of goods sold, depreciation bonus, definition of financial results involving fixed asset retirement, different approaches for expenditure accounting, just to name a few. Also worth mentioning is that under Russian Account-

ing Standards (PBU18) a company is required to calculate and control the temporary and permanent differences between RAS and PT Accounting.

- Value Added Tax (VAT): One example is export VAT where it is impossible to recognize VAT immediately because of the legal requirement to gather a wide 'package' of paper documents for the Tax Authority. Only after this is completed can VAT be calculated in a special way and presented in the Sales and Purchase Ledgers. Another challenge is the so called "Separated VAT Accounting". If a company has more than 5% of costs for non-deductible operations a separated VAT accounting is mandatory. In both cases the standard SAP solution for this process has been developed only in ECC 6.0 EHP5, but it doesn't cover all possible business requirements, for example if a company cannot sell goods for a prolonged time.
- Customs: according to RAS an outgoing invoice must have a Cargo Customs Declaration (CCD) num-



- Adaptation in accordance with Russian Legal Requirements
- Standardization of Global Business Processes
- Optimization of Business Processes between Companies
- Higher Information Transparency

Figure 1. Russian Localization – "SAP Roll-Outs"



- SAP Roll-Outs in Russia & CIS
- SAP Russian Specific Consulting
- SAP After Go-Live Support
- SAP Implementations in Russia & CIS (successfully implemented): Russia, Ukraine, Belarus, Uzbekistan
- SAP Support & Maintenance
- SAP Licenses
- SAP Trainings

ALPE consulting is a SAP Gold Channel & Service Partner founded in 2006 with offices in Moscow, Saint-Petersburg and Kazan and with over 60 clients. We also offer Support & Maintenance Services to over 20 international and Russian clients.

<http://www.alpeconsulting.com>, e-mail: sales@alpeconsulting.com, tel. +7 495 660 2019



ber for every item. But you will not be able to link incoming and outgoing invoices by CCD numbers because SAP supports only the FIFO method. So without a tailored “Russian SAP solution” a company cannot form a purchase book which is mandatory for tax reporting. A solution for this dilemma has been issued only in ECC 6.0 EHP5, but here again you can’t have different CCD numbers in one single purchase order.

- **Production:** involves calculating product costs and not being able to use the Material Ledger (ML) without localization. Under RAS and PT Accounting finished goods in stock and cost of sales must be treated according to their actual prices. However, most foreign companies evaluate their stock and cost of sales according to standard prices. Also, there are again differences between statutory, profit tax and corporate reporting and the “Russian Add-On” with the PT Blueprint does not cover all these differences.
- **Semi-Finished Goods:** there are 3 ways to manage Semi-Finished Goods under RAS and a company may choose any one of them, however, according to PT Accounting only the direct cost method is permitted. This will create differences which cannot be accounted for using a standard SAP solution.

Enough of challenges and “problems,” what can international companies do to ensure their SAP Roll-Out will be

Module	Sales Company *	Production Company *
FI	high consulting complexity	high consulting complexity
FI SL	high consulting complexity	high consulting complexity
CO	low consulting complexity	high consulting complexity
MM	low consulting complexity	medium consulting complexity
SD	low consulting complexity	medium consulting complexity
PP	N/A	medium consulting complexity
ABAP	lower programming effort	high programming effort
<i>* assuming that processes are mostly identical in logistics</i>		

Figure 2. Time & Complexity of Sales vs. Production Companies

successful, both in terms of time and budget?

First of all, they should allocate enough time to this project. From our experience a Roll-Out with modules Finance (FI), Controlling (CO), Sales Distribution (SD) and Material Management (MM) takes an average 4-6 months and if the company has production in Russia (Production Planning – PP) then the time increases to 5-8 months. Of course there are other factors such as the size of the business or complexity of business processes, but figure 2 shows the approximate time and complexity for (pure) sales versus production companies.

Another important step is to choose the right local partner. A foreign company will undoubtedly, no matter how good their global SAP team is, require local support. The amount of support will vary of course, but it will be necessary. In choosing

a local partner and we realize very well that this will seem not entirely objective, nevertheless, make sure the company has already experience with international Roll-Outs. Ask for references and speak to CIOs or CFOs of those customers, and analyze the quality and calibre of the consultants and project managers they employ. Don’t only focus on technical skills; also look for fluent English skills to communicate with your SAP and business teams back home or even social and communication skills, which as many will agree with us are, to put it mildly, very different in Russia.

Lastly, of course the price is important and we all don’t have unlimited budgets. But consider different variables when comparing offers from local partners. Just as an example: if you are presented with a 1,000 EUR / day or 660 EUR / day rate, most people, including ourselves would choose the cheaper one. At least initially! However, often times this can be a mistake. Why? The consultant working on 1,000 EUR per day will solve the problem in 1 day or less, the consultant for 660 EUR per day in 2 or 3. How would this information change your answer to the original question?

One final comment: in choosing the right local partner, use the advantage of the Russian SAP Partner Company acting as a trusted advisor to you at headquarters. This is especially important when your local business may attempt to use “legal requirements” or “Russian Legislation” as a scapegoat for insisting on certain Local SAP processes which run counter to your Global Template and processes.

BQ



SMALL SOLUTIONS FOR YOUR 1C ACCOUNTING SYSTEM THAT WILL MAKE A DIFFERENCE



Anne Richter, Senior Manager, ERP Business Development,
RUSSIA CONSULTING

It is well known that Russian accounting standards require a number of additional postings and documents which are not required by Western accounting standards. Take, for instance, the invoice-factura for VAT accounting, or maintaining registers for profit tax documentation, or the write-off of materials or documents for currency control. On the other hand, essential reports for management purposes, such as debt aging reports or trial balances in languages other than Russian are often not automated.

For a global approach which covers local and management reporting needs, you may have to consider customizing your HQ ERP system to comply with Russian regulation. However, if the version of the ERP in use at your HQ does not offer a local Russian adaptation, you are probably looking into a big and costly project. Alternatively, you may want to take the opposite approach and customize one of the industry-specific 1C products from the range of 1C ERP systems. They come fully adapted to Russian standards, and cover all aspects of the business processes for, e.g. your production, wholesale, retail, or service operations. To ensure that your local results are transferred to your HQ's ERP – and are duly recog-

nized – various interfaces may have to be designed to transfer postings, the total for movements or already consolidated results.

Interfaces may help to produce the required management reports from your HQ ERP system directly. However, they do not relieve your accountant of producing additional, locally required documents—and, in the first place, being reminded to produce them. To help with the organization, distribution of tasks among your staff and saving your accountant's time, there are numerous add-on programs to 1C configurations available,

which can make a real difference. You may choose standard solutions offered on internet forums, and have special developments designed by your in-house 1C programmer, or you may trust solutions developed and stress-tested by practicing accountants. Generally, 1C add-on programs may be easily fitted in with your 1C software, without altering the standard 1C configuration, and hence requiring fewer resources than a fully-fledged customisation project.

Many of the add-on programs which have been developed by RUS-SIA CONSULTING for our account-





ing outsourcing practice fulfil a watchdog function: they monitor relevant postings, notify your accountant at due dates, and—above all—get the tedious jobs done preparing the required posting documentation.

For monthly write-offs of materials, we have developed a program that monitors the balances on the materials accounts at the end of the month and produces the required standard documentation to justify any write-off.

Our currency control tool helps to monitor all relevant postings with non-resident partners. The tool facilitates to print the required 'spravki' (document-confirmation) to be handed in to your currency control agent (your bank). The deadlines for submitting the documentation are built into the add-on program, to make sure you do not miss any of them.

Timely invoicing is crucial if your cash-flow projections are to become reality. Using our invoicing schedule to register invoices for future periods saves time and repeated monthly cross-checking with contracts, in particular for recurring invoices. Ideally, you would set an invoicing schedule in the add-on program, once a contract is

agreed. Henceforth, invoices and revenue documents will be posted automatically at the given dates according to the registered schedule.

No-one who has ever seen an import declaration stretching to several pages would wish his/her accountant to type the data manually, from scratch into the 1C system. Upon request, your customs broker will provide you with the data already typed up in electronic form. Our import declaration tool enables an automated upload of the data, transforming the received data into postings in your 1C system.

Aging reports on receivables are essential for managing your cash-flow and the relationships with your sales partners. However, they do not follow straightforwardly from postings, according to Russian accounting standards. To help you with your dunning procedure, and in calculating late fees and reserves, our add-on program produces a table of receivables by client and by due periods. Individual payment terms you have granted to your clients will be taken into account, too.

If your initial enthusiasm for learning perfect Russian has worn off and you would like to see trial balances

in your own language, our translation tool for your general ledger will be helpful. It will enable you to download ready-made, translated trial balances, define your individual translations of general ledger items once and save time for all future downloads.

When tackling the next steps of your ERP customisation, bear in mind that often it is the small solutions that make a difference, saving save time and resources and making your accountant's life easier. **BQ**



DESPITE ADVANCES IN TECHNOLOGY, THERE WILL ALWAYS BE A NEED FOR PEOPLE



Luc Jones, Partner, Antal Russia

Much noise has been made recently in the international media predicting the decline of headhunting firms thanks to the rise of professional networking sites such as LinkedIn. Far be it for anyone (especially journalists) to ever write anything positive about the recruitment industry, but such statements rather miss the point about how people are hired.

This is of course nothing new; the decimation of recruitment agencies was widespread during the dotcom boom in the late 1990s (“Hey! It’ll all be done on-line soon”), and also with the advent of job boards such as Headhunter and Monster – but recruitment companies are still here, and what’s more, they’re growing! I have been a corporate recruiter for 15 years (mostly on the agency side, but have also worked in-house) and have seen the industry continue to expand, with thousands of new firms setting up every year.

LinkedIn is indeed an extremely useful too—I use it myself daily—but sourcing candidates is the easy bit (made even easier thanks to websites such as LinkedIn, admittedly); the tricky part is persuading someone why he or she should consider a move when they are quite happy where they currently are. Skype interviews allow a more thorough assessment of a candidate who might be located in another city or country than simply using

the telephone or e-mailing. It might be relatively easy for blue-chip multinational corporations, ‘magnetic’ brands and firms that can invest in strong employer branding perhaps, but is still very tricky for the remaining 97% of businesses. These tools are much more of a friend than a foe to recruiters, as they speed up the process and eliminate the need for guesswork.

Imagine that you are a mid-to-senior level executive that gets contacted continually regarding new positions. Sure, most people will listen to a new opportunity, but what is it that will make your ears prick up? Would you even bother replying to an e-mailed message (most likely automated, and sent out to several people

saying something along the lines of “your profile matches a vacancy that we current have”) or a professional call from a competent recruiter who represents a reputable search firm—quite possibly someone you have had dealings with in the past—to discuss a new job? Think about it; in their shoes what would you prefer? I know where I would be more likely to send my CV!

The majority of vacancies are filled without any external agency help (internal moves, CVs sent directly to the company’s website, employee referrals, candidates sourced via the company’s in-house HR team or even someone you met socially). This has always been the case, throughout the world, and probably always will





be—at least until genetic engineering becomes legal! LinkedIn is a tool, and a very useful one at that, but nothing more. A spade cannot dig a hole, and the success of JCB or Caterpillar has hardly made builders redundant. You could easily make sandwiches yourself for a conference lunch, or vacuum-clean the carpets, but it's considerably more efficient to hire an outside catering firm or cleaners.

In my experience, the majority of companies have neither the time nor the inclination to trawl networking sites to find the ideal person when it is quicker and more efficient to engage a recruitment agency to present you with a suitable shortlist of prepared, relevant and motivated candidates, particularly in a market that they are unfamiliar with. Those not familiar with the recruitment industry assume that it's simply about sourcing strong candidates and presenting them to clients. However, there is a considerable amount of behind-the-scenes work which clients rarely see, such as establishing the candidate's motivation (or lack of it) for possibly changing their job, assessing what could persuade them to make a move and, of course, selling them both the role and the company.

Additionally, there is the issue of counter-offers, where a client has made a job offer to a candidate, who in

principal accepts but when approaching their existing employer to resign is tempted to stay, usually by being offered pay-rise and/or a promotion. Whereas in the West candidates tend to take a more pragmatic approach to such situations ("Hey, if you thought I was that great, why didn't you pay me this much before?!"), this is a particular issue in Russia where emotions come into play much more frequently ("Wow, they not only told me that they love me but they're even going to give me a salary increase – of course I'll stay!"). Recruitment consultants are also able to provide information on the state of the market, local condi-

tions, such as which benefits are the norm, plus offer advice on current trends, which is something no search engine or website will ever be able to replicate. Our business is booming and I predict it to move only in one direction – and that's upwards!

Sure, some average recruiters with dubious morals, a poor grasp of their industry sector and talent pool may find themselves outdone by technology in the future, but recruitment businesses with deep industry specialization honed over decades, and with a catalogue of trusted partnerships to bank on, will always save their clients time and add genuine value. **EQ**



RACE ACROSS RUSSIA (RARU): ONLINE TRACKING FOR WORLD RECORD IN RUSSIA THROUGH SAP-BASED MOBILE APP



Marco Mueller, Head of Marketing, SAP Russia & CIS

On the 1st of August 4 cyclists from Austria set out from Moscow's Red Square on their race bikes in complete darkness at 4 am. Their mission: a non-stop 24-hour race arriving in Vladivostok in 14 days or less and traveling only on race bikes! This had never been done before and probably also never thought about until now. In 2009 the AusTria-Team with its 4 daredevils got second place in the Race Across America, until then the world's hardest cycling race stretching 5,000 km from west to east across America.

In 2011 the team set a world record in the Race Across Australia, covering the 4000 km from Perth to Sydney in only 4 days, 20 hours and 25 minutes. However crossing the largest country in the world, covering a distance of 9,200 km and a total difference in altitude of 90,000 metres – this was in a different league altogether.

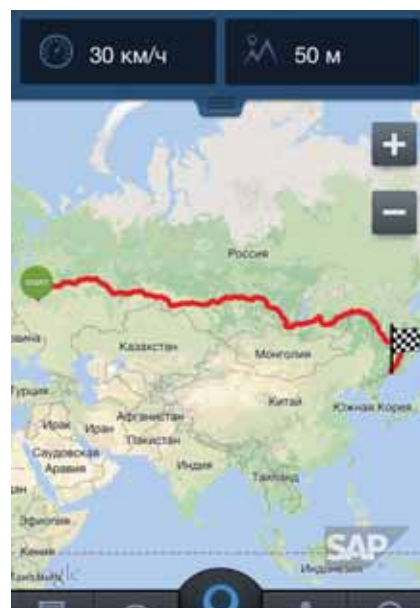
On the 14th of August at approximately 2 pm local time the AusTria-Team arrived on the Russki Island in Vladivostok. Together the 4 cyclists (Andreas Sachs, Robert Lang, Walter Zelenka and Michael Strasser) crossed the impressive Russki Bridge—with 1104 metres between the end points this impressive construction has the largest open span in the world—to be greeted by students from the FEPU (Far Eastern Federal University) and rode together to the finish at the university's

main building. The team had managed to cover the distance of 9,208 km from Moscow to Vladivostok in 13 days, 2 hours and 59 minutes. World Record!

Preparation and planning of this project took 1.5 years and Paul Bruck, General Director of Bruck Consult and Most Management, as the overall project manager had plenty of preparation work before the actual start. The four cyclists were accompanied by 16 persons (including myself) in the support team and everyone having different roles during the race such as organization and logistics, medical doctor, cook, bike mechanic, journalists from Russian TV channel NTV, cameramen, photographer and drivers. The four bikers were divided into 2 teams where each team rode 12 hours per day changing the cyclists



The four 'daredevils' and SAP & ALPE consulting representatives. L-R: Marco Mueller, Head of Marketing, SAP Russia & CIS; the RARU cyclists: Andreas Sachs, Robert Lang, Walter Zelenka, Michael Strasser; Alexander Schachner, Owner & General Director, ALPE consulting.



The challenge ahead of the team: Moscow to Vladivostok, ca. 9,200 km and total difference in altitude of 90,000 Meters.



The four cyclists arriving together in Vladivostok and crossing the impressive Russki Bridge.



The beautiful and endless Russian landscape....(between Chita and Khabarovsk)



In Novosibirsk on the main square the team is welcomed by city authorities and hobby cyclists. In between the crowd from left to right: Walter Zelenka, Michael Strasser, Robert Lang and Andreas Sachs (the RARU cyclists). The Novosibirsk Opera and Ballet Theatre in the background, since 2012 Russia's largest theatre.

within the team each hour. That way 1 biker was always on the road, 24 hours a day. To enable the cyclists to cover this huge distance in such a short time period the team had to use a precisely planned strategy and carefully calculated time schedule. The whole RARU team was split into 5 specially equipped Land Rover Discovery 4s: two race cars including the cyclists; management car; support car with the masseur, mechanic and cook; and the media car. The actual switch between the two race teams was extremely difficult and a logistical highlight. (See the diagram for a graphic illustration.)

In general: while one race team was riding for 12 hours the other team had to eat, get a massage (unfortunately only for the cyclists I am afraid), shower or wash up, sleep, which was never more than 3-4 hours. After that the team not racing had to be transported by car to the next exchange point ahead to take over again from their colleagues.

The experiences, encounters and stories from this trip could easily fill books – hence the team decided to publish a RARU 2013 book and a race documentary on DVD. Both are available for purchase. If I had to choose one personal highlight among the many, it might be one of our first larger stops of the race in Yekaterinburg. The RARU team was enthusiastically welcomed by a large crowd of fans, cameras, press and city officials. On the main square in front of the city hall 40 dancers conducted an incredible performance; fans on their bikes conveyed our racers along the main street way beyond the city borders. This fan-



On the main square in front of the city hall in Yekaterinburg 40 dancers and hobby cyclists welcomed the team and chatted to the cyclists afterward.



Application developed by SAP and ALPE consulting showing at the top side statistics on covered distance, time, average speed, altitude, calories burned, etc. and at the bottom the live news update page.

tastic spirit and positive atmosphere accompanied us on the whole route throughout Russia.

In conclusion, RARU was an absolute highlight for everybody involved. Covering this huge distance with strongly varying road conditions, numerous climate zones across vast stretches of the country, the beautiful and endless Russian landscape combined with focused discipline, almost perfect organization and a truly inspiring team spirit.



Robert Lang (left) and Andreas Sachs (2nd to right) being welcomed in Krasnoyarsk by Grigory Zapodoinikov, Deputy Sports Minister of the Region Krasnoyarsk (2nd to left) and Vladimir Musienko, Deputy Head of Office for Sports & Fitness of the Region Krasnoyarsk (right).



Simply amazing...cycling above the clouds! Over 90,000 metres in height altitude were completed by the team.

As part of the RARU support team we had plenty of action ourselves, at times challenging us to our personal limits as well.

Equally important is that RARU also successfully promoted international understanding and cultural exchange between Russia and Austria. All along the way we experienced a very warm and enthusiastic welcome from the Russian people. In most cities we were greeted by hobby cyclists or just people following our race, occasionally even by high ranking officials such as mayor or governor. The media attention in Russia and Austria was terrific as the race was covered by major TV networks like "Russia Today", "NTV"

or "ORF" (Austria) as well as regional TV stations, national and local print & online media.

On a technological note, SAP along with our CIS Gold Partner "ALPE consulting" developed a mobile application called "RARU 2013" that enabled fans worldwide to monitor and interact with the cyclists in real-time.

The APP allowed the user to receive 24/7 LIVE information of the race like tracking of cyclists' route and position; statistics on covered distance, time, average speed, altitude and calories burned; live updates from the road including photos and videos (directly connected with the RARU Facebook

9:00 10:00 11:00 12:00				13:00 14:00 15:00 16:00 17:00 18:00 19:00 20:00 21:00 22:00 23:00 0:00												1:00 2:00 3:00 4:00 5:00 6:00 7:00 8:00 9:00 10:00 11:00 12:00											
<div>SWITCH at "Middle of Nowhere"</div>				Race Team 1: Andreas Sachs and Robert Lang																							
				LOGISTICS												Arrival Message Sleep ca. 4-5 hrs.				Drive to Switch Point Eat Drive distance of Race Team 2 ca. 4-5 hrs.				Message Prep. f. Race Repair Bikes ca. 2 hrs.			
				RACE																LOGISTICS							
				A.S. R.L. A.S. R.L. A.S. R.L. A.S. R.L. A.S. R.L. A.S. R.L.																							
				Distance travelled is on average: 350 km																							
<div>SWITCH at "Middle of Nowhere"</div>				Race Team 2: Michael Strasser and Walter Zelenka																							
				LOGISTICS												M.S. W.Z. M.S. W.Z. M.S. W.Z. M.S. W.Z. M.S. W.Z. M.S. W.Z.				Distance travelled is on average: 350 km							
				RACE																							
				Message Eat Repair Bikes ca. 2 hrs.																				Drive to Switch Point Drive distance of Race Team 1 ca. 4-5 hrs.			
				W.Z. M.S. W.Z.																							

Graphic Illustration of Switch between Race Team 1 & 2

page). Information on the team such as biographies and sporting achievements, as well as information on the numerous sponsors, was also included. The application was a huge success as it was downloaded over 13,000 times in 37 countries worldwide. RARU postings on Facebook reached a community of nearly 100,000 people!

It was a great privilege for SAP to support this world record project as Premium Sponsor together with Land Rover and an unforgettable experience for me personally. Russia is one of the key markets for SAP globally – I'm already looking forward to the next project in this incredible country.

PS: For more information you can also check out:
www.raceacrossrussia.ru.

BQ



For about 3.000 km the cyclists had a police escort driving behind them and protecting them from traffic. The Landrover escort vehicle was of course for additional protection and support and carrying the second cyclist (not in picture).



One of the many press conferences the management team gave along the way. L-R: Harald Lassmann, General Director, Russia Fachspedition Dr. Lassmann; Paul Bruck, General Director, Bruck Consult & main organizer of RARU.



A switch between race team 1 and race team 2 in the "middle of nowhere".

AEB NEWS

New CNR members assigned

On 12 November 2013, the AEB CNR held a meeting, at which new CNR members from Republic of Croatia and Switzerland were introduced: Jakov Despot (Croatian Chamber of Economy Representation to Russia) and Marco Mariotti (Philip Morris International). We welcome our new CNR members!

New Industrial Committee Established

On 13 November 2013, the AEB established a new industrial committee: the Tire Producers Committee. This will deal with all issues relevant to the industry and will represent the interests of its members to the Russian and European authorities. Benjamin Willot, General Director, Goodyear Russia LLC was elected as the Tire Producers Committee Chairman.

Energy Efficiency Label Launch Event

On 18 September, the AEB and the European Bank for Reconstruction and Development (EBRD) held a joint event to launch "Energy Efficiency Labelling: Stimulating investment in energy efficient equipment in Russia."

The AEB and the EBRD signed a Memorandum of Understanding on establishing voluntary energy efficiency endorsement labelling in Russia. The labels will help stimulate investment in energy efficient equipment, reduce energy use, improve the quality of goods and help modernize manufacturing processes. They will also increase demand for energy-efficient equipment.

The welcome speeches at the event were made by Reiner Hartmann, AEB Board Chairman; Frank Schauff, AEB CEO, Lindsay Forbes, EBRD Director Industry, Commerce and Agribusiness, Russia, and Alexey Soldatov, Technical Regulations Manager, BSH Bosch und Siemens Hausgeräte GmbH.



Lindsay Forbes, EBRD Director Industry, Commerce and Agribusiness, Russia and Frank Schauff, AEB CEO, sign a Memorandum of Understanding

Briefing by Boris Titov, Presidential Commissioner for Entrepreneurs' Rights Protection

On 2 October 2013, Boris Titov, Presidential Commissioner for Entrepreneurs' Rights Protection, briefed AEB members. The issues raised included the investment climate in Russia, and achievements and prospects in the field of entrepreneurs' rights protection. Boris Titov also answered numerous questions about the current Russian investment climate and addressed important issues like changes in the TIR Carnet use for customs transit in Russia, parallel import liberalization, and restrictions on secondment usage. The event was also attended by media representatives.



Boris Titov, Presidential Commissioner for Entrepreneurs' Rights Protection

Round Table: "Opportunities and Challenges in International Logistics in the Russian Federation"



Participants at the event

On 22 October 2013, a Round Table "Opportunities and Challenges in International Logistics in the Russian Federation" was held by the Embassy of the Republic of Lithuania and the AEB Customs and Transport Committee. The Round Table was officially opened by H.E. Renatas Norkus, Ambassador of the Republic of Lithuania in the RF. The recent developments in the customs legislation, transport Infrastructure, International Customs Transit and other important issues related to the customs and transport were discussed at the event by the experts, where they had an opportunity to share their views of best practice.

The AEB South Regional Committee celebrates 10th Anniversary

On 17 October 2013, the South Regional Committee of the AEB celebrated its 10th anniversary in Krasnodar. The celebration started with the Round Table “Investment climate of Krasnodar Region: experience and prospects of foreign investments’ attraction to the economy of Krasnodar Region,” with the participation of Nikolai Buturlakin, Deputy Head of Administration of the Krasnodar Region. Results and prospects for cooperation between the AEB and the administration of Krasnodar Region were discussed between AEB member companies’ CEOs and high ranking officials from the Krasnodar Regional Government. New industrial zones in the Krasnodar Region were considered as a new potential growth point.

The anniversary celebrations continued with a solemn ceremony and reception at the Ekaterininsky hotel complex. More than 100 guests, including top management of Russian companies, heads of member companies, and representatives of mass media and universities attended the event and wished the AEB South Regional Committee further success and prosperity.

The AEB acknowledges sponsors and partners of the event:

Austrian, CLAAS, Knauf, Nestle, PWC, Vegas Lex, Center-Invest Bank, Philip Morris Kuban, YugTimes.



Oleg Zharko, Chairman of the AEB South Regional Committee



Celebration ceremony



Lithuanian EuroReception

On 22 October, the AEB held its traditional Autumn EuroReception, this time at the Lithuanian Embassy. We heartily thank the Lithuanian Ambassador to the Russian Federation H.E. Renatas Norkus for having kindly hosted this high-level and lively event. We also thank H.E. Vygaudas Ušackas, Head of EU Delegation to the RF, for attending the EuroReception and welcoming AEB members.

We also would like to thank the sponsors of the Reception: Agroviet, Biovela, Delikatesas, Dziugas, Vilvi, Univita, Žalgiris.



H.E. Vygaudas Ušackas,
Head of Delegation of the European Union to Russia



L-R: Rainer Hartmann, Chairman of the AEB Board;
H.E. Renatas Norkus, Ambassador of Lithuania to the RF



Guests at the Reception

Prix Galien Gala Award Ceremony

On 24 October 2013, the Chairman of the Health and Pharmaceuticals Committee, Sergey Smirnov, took part at the Prix Galien Gala Award Ceremony. The AEB is an organizational partner of the first Prix Galien Russia. The welcome speeches at the event were delivered by Sergey Tsyb, Deputy Minister for Industry and Trade, Elena Maksimkina, Head of Department of State Regulation of Medicines, RF Ministry of Health, Alexey Komissarov, Minister of the Moscow City Government as well as Florence Mehl, the Prix Galien International General Secretary. Awards were made in the following categories: Best Pharmaceutical Agent; Best Biotechnology Product, Best Medical Technology and others. Around the world, the Prix Galien awards are given for outstanding achievements in improving the global human condition through the development of innovative therapies. It is considered to be the industry's equivalent of the Nobel Prize, and the highest accolade for pharmaceutical research and development.



L-R: Sergey Smirnov, AEB Health and Pharmaceuticals Committee Chairman, Vice President, Novo Nordisk, and Frédéric Boucheseiche, General Secretary, Prix Galien Russia.

Energy Efficiency and Automation in Office Buildings 2013 – new developments and latest trends

For the second time, the AEB Energy Efficiency Committee, in cooperation with Messe Frankfurt and Interlight Moscow, organised an International Forum, “Energy Efficiency and Automation in Office Buildings 2013 – new developments and latest trends” (7 November 2013).



L-R: Rawlson O'Neil King, Continental Automated Buildings Association; Vincent de RUL, FENICE RUS, Deputy Chairman of the AEB Energy Efficiency Committee

The Forum was moderated by Vincent de Rul, FENICE RUS, Deputy Chairman of the AEB EE Committee. Among the topics discussed during two sessions were: growth in green buildings (CABA); practical energy saving solutions in office lighting (Legrand Group Russia & CIS); multi-service chilled beams (Lindab); office building reconstruction in Moscow (Saint-Gobain); energy efficient construction and renovation (Bayer); and return on investment from building automation by energy saving (KNX). The event attracted numerous participants and confirmed its reputation for the high professional level of the speakers and for interesting discussion during the question-and-answer session.

Energizing the SME sector in Russia: practical aspects of cooperation with multinational companies and the financial sector

On 19 November 2013, the AEB held an open event, “Energizing the SME sector in Russia: practical aspects of cooperation with multinational companies and the financial sector”. This was organized jointly by the AEB Finance and Investments Committee and the SME Committee.

The event was broadcast live on the websites of the AEB and EY as well in the offices of European Bank for Reconstruction and Development (EBRD) in Yekaterinburg, Krasnoyarsk, Rostov and Vladivostok. Over 300 people followed the event live.

Among the speakers were Natalia Larionova, Director of SME Development and the Competition Department of the RF Ministry of Economic Development; Agris Preimanis, Senior Economist, Financial Institutions, EBRD; Sergei

Safonov, Partner, EY; Natasha Khanjenkova, Managing Director Russia, EBRD; Virgil Nae, Head of the European Investment Bank Permanent representation in the RF, as well as representatives of Bank URALSIB, Bank Vozrozhdenie, LLC Continental Kaluga and METRO Cash & Carry, Russia.

The Association thanks the AEB Investments and SME Committees and their heads Stuart Lawson, Executive Director, EY, and Orlin Efremov, General Director, Performance Partners, for hosting this outstandingly interesting event.

The AEB gratefully thanks EY and SME Bank (gold sponsors) and Transcapitalbank (sponsor).

The recording of the event is available on the AEB website: www.aebus.ru



L-R: Stuart Lawson, AEB Finance & Investments Committee Chairman, Executive Director / Head of UK Business Center, EY; Frank Schauf, AEB CEO; Natalia Larionova, Director of SME Development and Competition Department of the RF Ministry of Economic Development



Georgy Rotov, General Manager, OOO “Continental Kaluga”



L-R: Virgil Nae, Head of the European Investment Bank (EIB) Permanent Representation in the RF, and Natasha Khanjenkova, Managing Director Russia, EBRD, delivered speeches at the event.

Presentation of the Investment Potential of the Tyumen Region

Continuing our tradition of inviting high-level representatives of the Russian regions for discussions, on 25 November 2013, Vladimir Yakushev, the Governor of the Tyumen Region, met AEB members and made a presentation on the investment potential of the Tyumen region. The event took place at the AEB Conference Centre. The welcome speech was delivered by Reiner Hartmann, AEB Chairman of the Board.



L-R: Vladimir Yakushev, Governor of the Tyumen region and Reiner Hartmann, Chairman of the AEB Board

The discussion after the presentation focused on the investment climate in general, and on the industrial potential of the region in particular. Among the speakers at the event also were: Alexander Borisov, Vice-president GR, Schlumberger; Harold Purainer, CEO, Schattdekor; Andrea Sorden, Director, Knauf Insulation; Marina Balabanova, Director Communications and Government Relations, Danone Group of Companies in Russia.



Participants at the event



L-R: Frank Schauff, AEB CEO, and Ravil Zaripov, Minister of Industry and Trade of the Republic of Tatarstan, signing the Agreement on Mutual Understanding. In the background stands Ildar Khalikov, Prime Minister of the Republic of Tatarstan.

Agreement on Mutual Understanding with Tatarstan signed

On 25 November 2013, during a meeting with Ildar Khalikov, Prime Minister of the Republic of Tatarstan, the AEB and the Ministry of Industry and Trade of the Republic of Tatarstan, signed an Agreement on Mutual Understanding. The Agreement was signed by Ravil Zaripov, Deputy Prime Minister of the Republic, Minister of Industry and Trade of the Republic of Tatarstan, on one side and Frank Schauff, AEB CEO, on the other.

Briefing by Máire Geoghegan-Quinn, EU Commissioner for Research, Innovation and Science

On 26 November 2013, the AEB had the honour of holding a Briefing by the EU Commissioner for Research, Innovation and Science, Máire Geoghegan-Quinn. The event took place at the AEB Conference Centre and was chaired by Reiner Hartmann, AEB Board Chairman, and Frank Schauff, AEB CEO.

The event provided AEB members with a unique opportunity to get first-hand information on the financial instruments of the EU innovation policy initiative, Horizon 2020. The focus was on opportunities for companies operating in Russia to participate in Horizon 2020 and its projects. In addition, the Commissioner briefed attendees on the goals of the EU-Russia Year of Science 2014 and the role of the State in public-private partnerships in R&D.

Máire Geoghegan-Quinn was appointed European Commissioner for Research, Innovation and Science in February 2010. Since then, she has spearheaded the development of the Innovation Union and the proposals for the new EU research and innovation program, Horizon 2020. Before



L-R: Frank Schauff, AEB CEO; Máire Geoghegan-Quinn, EU Commissioner for Research, Innovation and Science; Reiner Hartmann, Chairman of the AEB Board

that, she was a member of the European Court of Auditors, a member of the Irish Parliament, and had served in the Irish Government as Minister for European Union Affairs, Minister for Tourism, Transport and Telecommunication and Minister for Justice.

Annual IMF Review of the Russian Economy

On 26 November 2013, Bikas Joshi, Resident Representative of the International Monetary Fund in the Russian Federation, briefed AEB members. The event was dedicated to economic policies promoting stability and growth, and a discussion of the findings and conclusions of the annual IMF review of the Russian economy.

The Briefing was moderated by Joerg Bongartz, Chairman of the Board, Deutsche Bank, AEB Banking Committee Chairman, and Frank Schauf, AEB CEO.

Bikas Joshi is a newly appointed Senior Representative of the IMF in Russia. This event was a continuation of the welcome and long-standing tradition of meetings with IMF Representatives which started five years ago.



Participants at the event



L-R: Frank Schauf, AEB CEO; Bikas Joshi, Resident Representative of the International Monetary Fund in the RF; Joerg Bongartz, Chairman of the Board, Deutsche Bank, AEB Banking Committee Chairman.

Sponsor Dinner

As every year, the AEB organized a dinner for the AEB sponsor companies. This year the dinner took place in Metropol hotel on 28 November 2013. The guest speaker was Andrey Slepnev, Minister of Trade, Eurasian Economic Commission. Reiner Hartmann, Chairman of the AEB Board, delivered a short report on most important AEB activities.



L-R: Reiner Hartmann, Chairman of the AEB Board; Andrey Slepnev, Minister of Trade, Eurasian Economic Commission



L-R: Jan-Helge Skogen, Statoil ASA; Christoph Schroeder, DuPont Science and Technologies; Elena Ivanova, VSK.

AEB COMMITTEE UPDATES

CROP PROTECTION COMMITTEE

Crop Protection Committee took part in the Third Social Russian Forum



On 9 October 2013, the AEB consolidated position on the current version of Draft Law № 584399-5 "Amendments to the Federal Law "On Industrial and Consumer Waste" was presented by the Crop Protection Committee GR Manager, Tatiana Belousovich, at the session "Ecology as a Necessary Condition for Sustainable Development of the Social Sphere" in the framework of the Third Social Russian Forum held in the International Trade Centre. The participants were also informed about the first year results of the Pilot Project on the used pesticide container management scheme initiated by International and Russian pesticide producers in the Voronezh Region.

The AEB Crop Protection Committee also actively participated in the Conference "Development of the Legal Base for Safe Handling of Pesticides" in the framework of the 15th Russian Agricultural Exhibition "Golden Autumn" held on 11 October 2013 at the All-Russian Exhibition Centre. CPC members defended a joint position on the establishment of the conditions providing R&D activity for pesticide producers in Russia.

INSURANCE AND PENSIONS COMMITTEE

Asset Management of Insurance Companies

On 30 October 2013, the AEB Insurance and Pensions Committee held an open event titled "Asset Management of Insurance Companies: the Role of Asset Management Companies and Specialized Depositories".

The event was moderated by Alexander Lorenz, the AEB Insurance and Pensions Committee Chairman, Raiffeisen Pension Fund. Igor Kobzar, Raiffeisen Capital Asset Management, and Alexander Losev, Sputnik-Capital Management, shared their expertise and gave recommendations on strategies in asset management. Irina Lazareva, VTB Specialized Depository, and Alexey Nikitin, United Specialized Depository, gave the audience an update on the role of specialized depositories in monitoring the investment of insurance reserves and the proprietary funds of insurance companies.

HR COMMITTEE

Retention & Engagement: What Smart Companies Really Do

On 13 November 2013, the AEB HR Committee held an open event, "Retention & Engagement: What Smart Companies Really Do." This was chaired by Tatiana Khvatinina, Chair of the AEB Assessment, Training and Development Sub-Committee, Managing Director, SHL Russia & CIS.

In the situation of increasing global competition for talent, retention and engagement-enhancing programs become a key priority for HR professionals. The survey's results prove that engagement of personnel contributes to business efficiency, while increased retention and reduced rotation ensure significant cost savings.

The event provided a platform for the discussion of new approaches applied by the companies. With a focus on current and upcoming trends, HR experts shared their expertise and offered recommendations on how to retain and engage the best talent.



L-R: Liliya Nadezhkina, Ferronordic Machines; Giulio Derme, Triumph Russia; Ariel Barack, Hay Group; Tatiana Khvatinina, Chair of the AEB Assessment, Training and Development Sub-Committee, SHL Russia & CIS; Nadezhda Lobacheva, BNS Group; Elena Semyanistaya, AXES Management Aon Hewitt Alliance Member



L-R: Alexander Lorenz, Insurance and Pensions Committee Chairman, Raiffeisen Pension Fund; Igor Kobzar, Raiffeisen Capital Asset Management; Alexander Losev, Sputnik-Capital Management; Irina Lazareva, VTB Specialized Depository

The participants discussed recent changes and trends in the insurance and pensions markets and exchanged experience.

The AEB gratefully thanks Raiffeisen Capital Asset Management, the gold sponsor of the event, for its support.

LEGAL COMMITTEE

In-House Counsel Day



L-R: Ekaterina Lopatnikova, PSA Peugeot Citroën; Alexander Kozhukhov, Chairman of the AEB Legal Committee, Siemens; Dmitry Popov, ABB Russia; Liliya Maslova, Laurence Simons International Legal & Compliance Recruitment; Alexey Bolshakov, BASF

On 22 November 2013, the Committee held a business meeting “In-House Counsel Day”. This provided a unique opportunity for general counsels, senior in-house lawyers and representatives of legal consulting companies to share their experiences and discuss such topics as legal department management, interaction with regulators, litigation, ethics and compliance issues. The participants were also updated on the recent changes in anti-monopoly legislation and litigation practices. The meeting was moderated by Alexander Kozhukhov, AEB Legal Committee Chairman.

The AEB gratefully thanks Lidings (Golden Sponsor), Pepeliaev Group (Silver Sponsor) and Morgan Lewis (sponsor) of the event.

MIGRATION COMMITTEE

Meeting with Andrey Korotkov

On 5 November 2013, the Committee arranged a round table in conjunction with the State Registration Chamber.

Andrey Korotkov, Deputy Director of the Accreditation and Visa Support Department, State Registration Chamber within the RF Ministry of Justice, briefed AEB members on the current procedures and requirements for applying for the accreditation of representative and branch offices of foreign companies in Russia. The meeting also covered practical aspects of the visa application process for foreign employees of representative and branch offices of foreign legal entities in Russia.



Andrey Korotkov, Deputy Director of the Accreditation and Visa Support Department, State Registration Chamber within the RF Ministry of Justice

NORTH-WESTERN REGIONAL COMMITTEE

Briefing of World Bank in St. Petersburg



Participants at the event

On 11 October 2013, the Committee organized a briefing based on the World Bank’s “Russia Economic Report #30”.

The participants had the privilege of hearing Birgit Hansl, Lead Economist, Country Sector Coordinator for the RF, Sergei Ulatov, Senior Economist and Alvaro Gonzalez, Lead Economist. The representatives of the World Bank described recent economic developments and presented a view on the economic outlook. They elaborated on volatility and firm survival and the prospects for economic diversification in Russia. Among the participants were government authorities and representatives of the European Delegation and consulates.

The briefing was kindly hosted by the Consulate General of Finland in St. Petersburg.

PR & COMMUNICATIONS COMMITTEE

Efficient interaction between investors and government

On 15 November 2013, the AEB PR & Communications Committee held a round table: “Efficient interaction between investors and government”. The event was chaired by Igor Reichlin, Chairman of the AEB Public Relations and Communications Committee, Managing Partner of Reichlin & Partners.

The round table provided a platform for sharing experience and for discussion of the following topics: participation of legislative authority in the investor-state interaction; federal endorsement and interaction with regional authorities; Russian and foreign investors in the power generation industry after RAO UES’s dismissal; experience of interaction with federal authorities; practical aspects of legal lobbying in Russia; and interaction between business and government in high-tech industry.



Participants at the event



L-R: Pavel Melnikov, Vice President, Public Affairs & Crisis Communications, Grayling; Igor Reichlin, Chairman of the AEB Public Relations and Communications Committee, Managing Partner, Reichlin & Partners; Sergey Golovin, Chairman of the Directors’ Board, Yurtelecom

REAL ESTATE COMMITTEE

Russia and Europe – dialogue on sustainability

On 27 November 2013, the AEB Real Estate Committee held an open event, “Russia and Europe – dialogue on sustainability”. Among the questions discussed were:

- Challenges and solutions for sustainable building in Russia;
- Government support for green initiatives in real estate outside Russia;
- Russian market overview on commonly applied green standards;
- Characteristics of green standards in Russia;
- Summary of the AEB survey results on green building and sustainability.

The Committee plans to release recommendations for business and government bodies based on the results of this event.

The AEB gratefully thanks Caverion (Gold Sponsor) and RUUKKI (Silver Sponsor) of the event.



L-R: Ksenia Agapova, Jones Lang LaSalle; Ksenia Lukyashchenko, EcoStandard group, Olga Chaykovskaya, BEITEN BURKHARDT; Christophe Vici, Jones Lang LaSalle, AEB Real Estate Committee Chairman; Rashid Ismailov, Green Standard Centre, RF Ministry of Natural Resources and Environment; Victor Verma, Caverion Elmek LLC, AEB Real Estate Committee, Project Management & Ancillary Services Working Group Chairman

SOUTH REGIONAL COMMITTEE

Women in Business in the South of Russia

On 11 September 2013, Bank Center-Invest, with the support of the AEB South Regional Committee, held its first business-brunch entitled “Women in business in the South of Russia” in Krasnodar. The meeting was devoted to questions relating to the transfer of businesses to succeeding generations. Participants at the meeting discussed how to find a balance between family and business life and how to



L-R: Lyubov Popova, Deputy Chairwoman of the AEB South Regional Committee, General Director, Gubskiy Kirpichniy Zavod; Olga Vysokova, Deputy Chairwoman, Member of the Supervisory Board, Bank Center-Invest

SAFETY, HEALTH, ENVIRONMENT AND SECURITY COMMITTEE

Good Models of Health & Safety Practice in Russia

On 20 November 2013, the Health & Safety Sub-Committee held an Open Event, “Good Models of Health & Safety Practice in Russia”. The welcome speech was delivered by Konstantin von Vietinghoff-Scheel, Head of Health & Safety Sub-Committee, Corporate Counselling Services.

Experts from IKEA, Schneider Electric, International SOS and the Centre for Mining Safety shared their experiences of risk management, medical consulting services and safety training for employees.



L-R: Sergey Ryabov, HSE Consultant, General Director, Centre for Mining Safety; Olga Seregina, Health & Safety Manager, IKEA Shopping Centres; Erik Engstrand, Country Risk Manager, IKEA Russia; Konstantin von Vietinghoff-Scheel, Head of Health & Safety Sub-Committee, Corporate Counselling Services, Sarl



Participants at the event

make family businesses a success. Representatives of business, mass media and education all took part in the event.

Lyubov Popova, General Director of Gubskiy Kirpichniy Zavod and Olga Vysokova, Deputy Chairman, Member of the Supervisory Board of Center-Invest Bank, shared their experiences of running a family business in Russia.

It was decided to hold such meetings on a regular basis.



Guests at the event

TAXATION COMMITTEE

Open event "Transfer pricing – new challenges"

On 24 October 2013, the AEB Taxation Committee held an open event "Transfer pricing – new challenges".

The event highlighted the recent changes in transfer pricing legislation and provided a platform for discussion and exchange of knowledge by professionals. Andrey Kizimov and Dmitry Volvach, leading experts of the RF Ministry of Finance and the Federal Tax Service, as well as the Committee experts shared their expertise and gave recommendations on important tax matters.



L-R: Ilarion Lemetyuynen, Partner, KPMG; Dinko Dinev, PwC; Arseny Seidov, Partner, Baker & McKenzie; Andrey Kizimov, Head of Analytical Division, Ministry of Finance of the RF; Dmitry Volvach, Head of Transfer Pricing Department, Federal Tax Service; Dr. Alina Lavrentieva, Chairwoman of the AEB Taxation Committee, Partner, PwC



TRANSPORT AND CUSTOMS COMMITTEE

International Conference "Prospects of the Customs Union customs legislation development: international and regional experience"

On 12-13 November 2013, the Committee took part in the International Conference "Prospects of the Customs Union customs legislation development: international and regional experience", organized by the Eurasian Economic Commission, Federal Customs Service and the Russian Customs Academy.

During the working sections the Committee members shared the best international practices on customs legislation improvement. Wilgelmina Shavshina, Deputy Chairperson

of AEB Customs and Transport Committee, Legal and Business Development Director, Head of Foreign Trade Regulation practice, DLA Piper, spoke on the Authorized Economic Operator Institute improvement in Customs Union based on comparative analysis of its regulation in Russia and the European Union. Marina Lyakisheva, Counsel, DLA Piper, made a speech on the International experience and practice in the customs control after release.

WORKING GROUP ON MODERNIZATION & INNOVATION

Parliamentary hearings on the innovative development of industry and relevant legislation

On 21 October 2013, members of the Working Group took part in the parliamentary hearings on the innovative development of industry and relevant legislation. The meeting was organized by the State Duma Committee for Economic Policy, Innovative Development and Entrepreneurship. The hearings were attended by representatives of ministries and state agencies, think tanks, professional and business associations, and regional authorities. At the core of discussion were the current legislative initiatives on the development of industry, such as the Draft Law on Strategic Planning, the Draft Law on Industrial Policy, the Draft Law on Public-Private Partnerships and others.

Michael Akim, Chairman of the Working Group, Director of Strategic Development at ABB, gave a speech on the Attraction of Competence in global companies. He briefly presented the AEB position, the Working Group's goals and an outline of possible contributions on the part of foreign innovative companies who are members of the AEB and are concerned with the modernization and innovative development of the Russian industry.



L-R: Michael Akim, Chairman of the AEB WG on Modernization and Innovation; Anatoly Karpov, 1st Deputy Chairman of the State Duma Committee for Economic Policy, Innovative Development and Entrepreneurship; Igor Rudenskiy, Chairman of the State Duma Committee for Economic policy, Innovative Development and Entrepreneurship

MEMBER NEWS

Alinga Consulting



Over the summer Alinga Consulting organized a workshop to discuss issues which foreign businesses operating in Russia should take into account in 2013.

The seminar addressed such issues as tax accounting for companies with foreign investments, maintaining a corporate accounting policy, and enhancing accounting practices using 1C software. A special focus was on firms inviting foreign employees as well, with discussions of taxation of income of foreign employees, and procedures for hiring new foreign employees.

According to a survey of the participants, the most interesting presentations concerned these issues surrounding foreign employees. Alinga's professionals addressed several questions from the audience on these subjects both during and after the presentations.

ALPE Consulting

Extended Warehouse Management Solution

On the 8th of November Project Manager Dmitry Vishnevetsky and EWM Senior Consultant Andrey Zhurakhovsky represented ALPE consulting and received the SAP Certificate for Extended Warehouse Management. It certifies that the company has successfully undergone the qualification process for an "SAP – Qualified Rapid Deployment Solution" (RDS). This solution provides extended warehouse management processes for retail, consumer product, and wholesale industries in Russia & CIS. ALPE consulting is now able to extend its offer with the "ALPE consulting Extended Warehouse Management RDS".

Employees take part in the charity program "Road to Success"

ALPE consulting has launched the charity program "Road to Success" rewarding children's studies and creative work. The program has been developed for the Reshemsky Orphanage by a volunteer group of ALPE consulting employees. In November the first grants for successful studies for the 1st quarter of the school year were handed to 23 pupils in the orphanage for nominations in "Stars of Studies", "Growing Talent", "Teacher's Joy", and "Creativity". The initiative group also plans to congratulate the children for the coming New Year 2014 in December.

A major SAP implementation project at AKFA Group from Uzbekistan is finished

The SAP implementation project was launched at one of the AKFA enterprises – the gas stove plant under the brand "Artel". The launch includes the full scope of SAP ERP solutions in terms of business planning, finances, management accounting, manufacturing, logistics and equipment maintenance management. The Go Live went exactly according to project schedule and at the same time a new model for the centralized products distribution based on SAP ERP Sales & Distribution was launched. This will allow Artel to manage the sales of their full range of products in Uzbekistan and abroad. ALPE consulting has also helped to create the SAP expert team in AKFA for any further deployment of SAP at AKFA enterprises. The AKFA Group of Companies is one of the leading enterprises in Central Asia for manufacturing domestic appliances.

Baker & McKenzie

Baker & McKenzie's Moscow office moves to White Gardens

Baker & McKenzie's Moscow office relocated to one of the buildings in the newly constructed White Gardens Office Centre at 9 Lesnaya Street from Monday 9 September 2013.

Baker & McKenzie's new address in Moscow is:
White Gardens, 10th Floor
9 Lesnaya Street
Moscow 125047, Russia

Telephone and facsimile numbers remain unchanged:
Tel: +7 495 787 27 00
Fax: +7 495 787 27 01

Designed as a multi-level cascade of terrace gardens, White Gardens Office Centre is a prime class A office complex adjacent to Belorusskaya metro station and Belorussky railway station with direct access to Sheremetyevo airport via express train as well as to other Moscow airports. The project was designed and constructed in accordance with the BREEAM certification process, one of the world's leading environmental rating systems for buildings. The office centre was designed to be energy efficient. Environmentally friendly materials were chosen for its construction, which was carried out in a manner that would minimize the impact on the surrounding community and environment.

BEITEN BURKHARDT

Sports charity event "Small Olympians"

A sports charity event called "Small Olympians" was held in Kolomna on 24 September and 3 October 2013. Children aged 5-6 from the Luchiki Preschool for Hearing Impaired Children and the Kolomna Municipal Social Rehabilitation Centre for Minors took part in the event, organized by the German-Russian Foreign Trade Chamber (AHK) and the international law firm BEITEN BURKHARDT.

A sports day was organized for the children from both institutions on 24 September. They competed in teams, ran races, jumped through hoops, and took part in relay races.

When the competition was over, everyone danced a "sports dance" and had fun. The small sportsmen were then presented with stuffed dolls of the mascots for the 2014 Olympics.



The second artistic day of the event was held on 3 October. Looking forward to the Olympics in Sochi, the children gladly remembered what types of winter sports there are (figure skating, hockey, skiing, biathlon, bobsledding), and drew many colorful pictures.

The wonderful educators of the Luchiki Preschool provided invaluable assistance to all participants throughout the event.

We would like to give special thanks to Alla Prokhorova, the director of the Kolomna Municipal Social Rehabilitation Centre for Minors, for her support and assistance in the organization and holding of the event!

Dentons

Dentons' Moscow office moved

Dentons' Moscow office has moved to White Gardens Business Centre.

As of 25 November 2013 Dentons' Moscow office address is

White Gardens Business Centre, Floor 12
Lesnaya ulitsa, 7, Moscow 125047

Telephone and facsimile numbers remain unchanged:
Tel: +7 495 644 0500
Fax: +7 495 644 0599

White Gardens is a Class A office complex located in Moscow's first master-planned neighborhood for business, near Belorusskaya metro station with convenient access to the Garden ring and Moscow airports. The office complex was designed to be energy efficient, using environmentally friendly materials in its construction, which was carried out in a manner that would minimize the impact on the surrounding community and environment. White Gardens is in the process of being certified by BREEAM, one of the world's leading environmental rating systems for buildings.

Working from offices in Moscow and St. Petersburg, with a combined team of over 150 legal practitioners, Dentons advises clients in connection with their business, investments and operations in and out of Russia. Among the firm's clients are Fortune 500 global corporations, international banks, and other financial institutions, private

equity funds, startups, state-owned entities, high-net-worth individuals and nonprofit organizations.

EGO Translating

Natalia Molchanova, President of EGO Translating Company, wins the EY Entrepreneurial Winning Women 2013 Award in the B2B category

The EY programme saw 35 women from 10 regions of the country, founders of successful companies and business leaders whose work has made a significant and positive contribution to the development of Russian business, compete for the award.

"The contestants are knit together by the potential of true leaders. Their hard work, perseverance and confidence inspire thousands of people to found their own companies and contribute to the establishment of entrepreneurship in our country," said Sophia Azizian, EY Partner, CIS Talent Leader.

For more than 20 years, Natalia Molchanova has been engaged in the development of Russian business and international cooperation projects, focusing on programmes to expand economic, political and cultural ties between Russia and the international community.

One of Ms Molchanova's goals is to contribute to the popularity of the Russian language abroad. This implies an obligation to be not only the industry experts, but also to educate personnel able to represent the country in the international arena.

Today, EGO Translating Company is the leading Russian language service provider. Apart from translation and interpreting, it also provides educational services aimed at various areas of the country's economy.

Goltsblat BLP

Goltsblat BLP acts on major new Moscow hotel project for Akfen Holding

Leading international law firm Goltsblat BLP (the Russian practice of Berwin Leighton Paisner) acted for Akfen Holding and its group on the acquisition of Russian company OOO Severny Avtovokzal.

Severny Avtovokzal holds rights and building permits for a hotel project, to be built on a 2,010 sq. m. site at 37, Leningradsky Prospect in Moscow city centre. Akfen REIT, part of Turkish diversified group Akfen Holding, will start a project to build a 317-room ibis Hotel in Moscow by the end of September 2013. Akfen owns ibis hotels in Yaroslavl, Kaliningrad and Samara, and this new Moscow hotel will bring the number of hotels in Akfen REIT's portfolio to 20.

Anton Panchenkov, Head of Group in the Corporate team at Goltsblat BLP, led a team of lawyers which included Mikhail Tararouev and Kamilla Zagidullina. Anton commented "we are delighted with the results on this project, which went very smoothly and marks an exciting new development in the Moscow hotel construction market."

Goltsblat BLP client partner Ian Ivory commented "Akfen is a great company to work with and we are very pleased to work with them again on such an interesting project. We have worked closely with Akfen on a number of deals across Russia now. This latest project is another good example of inward investment into the Russian economy and again shows that deal activity is picking up."

Intercomp

Intercomp reports on investments promotion from one of the largest Russian private equity funds – Elbrus Capital

"This transition to a new stage of development became possible as a result of the company's stable and continuous growth," said Intercomp's CEO Sergey Buchin. "In the last year alone, we have implemented a whole range of major initiatives: we opened a branch in Nizhny Novgorod, introduced new services for the government sector, and rebranded the company. I am delighted that we have found a reliable business partner in Elbrus Capital: a partner with whom we can boldly move into the future. We are confident that profitability and stability, as well as focus on growth and expansion, will prove to be the major features of our development."

Jones Lang LaSalle

By the end of 2015 the 'green' office and industrial stock is expected to grow to 1.2 million sq. m.

Within the XII International Investment Forum, Sochi-2013, which was held 26-29 September in Sochi, Christophe Vicic, Member of the Board of Directors of Jones Lang LaSalle in Russia & CIS, Chairman of the Real Estate committee of the Association of European Businesses, presented the 'green' building research results covering both Russia and the global market.

Nowadays in Russia more than 24 buildings have been certified to international environmental standards, including 12 BREEAM, 6 LEED, 5 BREEAM In-Use and 1 project certified both LEED and BREEAM. The total area of certified buildings is 450,000 sq. m.

According to Christophe Vicic, in the two years to come we expect a significant growth of the 'green' building market. Thus, until the end of 2015 the total stock of certified offices and warehouses in Russia will reach 1.2 million sq. m., and 1.7 million sq. m. of sport and infrastructure schemes are to be certified as well. One of the key market drivers will be the up-coming international sports events: the Olympic Games 2014 in Sochi and the FIFA World Cup 2018. The majority of schemes integrated into these events will have to be certified to LEED and BREEAM.

Jones Lang LaSalle facilitated the sale transaction of White Gardens

A consortium led by Russia's leading investment bank VTB Capital, including TPG Holdings and China Investment Corporation, international developer AIG/Lincoln, and Coalco Development completed the sale transaction of White Gardens, a Class A office centre in Moscow, to Millhouse LLC. The deal was facilitated by Jones Lang LaSalle.

Located just off Tverskaya Street, Moscow's central corridor, White Gardens comprises two office buildings totaling approximately 64,000 sq. m. of rentable area, and five underground levels of parking with 960 spaces. White Gardens is situated next door to White Square Office Centre, which was sold by the same development team in late 2012 for a record sum of \$1 billion.

Designed as a "green" office complex, with a focus on energy efficiency, environmentally friendly materials, and a

construction process geared toward minimizing environmental impact, White Gardens is in the process of earning environmental certification from BREEAM, one of the world's leading environmental rating systems for office buildings.

Jones Lang LaSalle team also closed three other record sale deals – SEC Galeria in St. Petersburg, business centre White Square and SEC Metropolis in Moscow.



Jones Lang LaSalle Appointed as Property & Facility Manager for the White Square Office Centre

The international company Jones Lang LaSalle has won a property management appointment for the White Square Office Centre owned by the O1 Properties investment company.

The White Square Office Centre is one of the key prime properties in Moscow. The scheme occupies a commanding site in Moscow's Central Business District, next to Belorusskaya Square and the Church of St. Nicolas. The property GBA is 110,000 sq. m., GLA is 76,100 sq. m. The office centre's three buildings are occupied by international tenants including PriceWaterhouseCoopers, Deloitte, McKinsey & Co. and Microsoft. White Square is the biggest Russian office centre certified with the BREEAM international standard.

"We are happy that O1 Properties committed their new property management to our team. Our plan is to strengthen the White Square image as one of the best Russian office centres. We will make this site the first to introduce a fundamentally new format of property and facility management aimed at all user groups – the property owner, tenants and visitors," Natalia Yakimenko, National Director, Property & Facility Management, Jones Lang LaSalle commented.

Legrand

Legrand celebrates its 20th anniversary of development in Russia

On September 20th, 2013, Legrand (Limoges, France), the global specialist in electrical and digital building infrastructure, celebrated the 20th anniversary of its presence in Russia.

Legrand opened a representative office in November 1993, and since then the Russian subsidiary has become one of the most important and strategic units of the Legrand Group. Success for Legrand in Russia has been built on three pillars: developing new offers, expanding its distribution network, and investing in local production.

In 2013 the Group has launched 5 new lines of equipment in Russia (including Quteo, new range of surface-mounted wiring devices; DX3, new range of modular protection devices; CCTV and UPS Legrand ranges) and one new plant in Ulyanovsk where Legrand started production in June.



During the festive event which took place in the Stanislavskiy Theatre, both Jean-Luc Lubin, General Director of Legrand in Russia-CIS and Gilles Schnepf President of the Legrand Group underlined that the successful cooperation with the 500 partners invited for this special occasion has been the main achievement of these 20 years, and both have wished for a new era of common development in Russia and CIS.

Pepeliaev Group

Pepeliaev Group makes The Lawyer's list of top law firms

Prestigious international publication The Lawyer has short-listed Pepeliaev Group in the Best Russian Law Firm category for The Lawyer European Awards 2014 (<http://www.thelawyereuropeanevent.com/>).

The Lawyer is among the most prestigious legal magazines globally. The nominees for the award consist solely of firms of international renown, whose reputations are fully matched by the elevated professional standards they embody. The shortlist is selected by an independent jury consisting of in-house lawyers from top-name companies, as well as lawyers from private practice and the heads of law firms.

The experts take into account not only opinions about a nominee from leading market players, but also the number of successful projects the firm in question has handled. As a result, lawyers, legal departments and law firms as a whole may all be short-listed.

The Lawyer has already hailed Pepeliaev Group as the Best Law Firm in Russia and the CIS for 2012. The Lawyer's experts noted the professionalism of the Pepeliaev Group's team of lawyers in their work on such projects as providing legal support to FIFA in relation to the base of regulations and legislations being drafted for the World Football Cup in 2018; and the legal support for development of the Shtokman gas field.

The publication also commended the expertise Pepeliaev Group has provided in helping to improve Russian legislation and the outstanding legal support the firm has provided on M&A transactions for international pharmaceutical and logistics companies.

RH PARTNERS

RH PARTNERS became a licensed partner of the jobEQ company based in Belgium, which creates instruments for the assessment of motivation, work attitude and values of employees and teams. This strategic partnership will serve the further development of RH PARTNERS' services in recruitment and talent development. Helping our clients to create successful and stable teams, we use an approach based on an understanding that productivity of employees and teams depends on three factors: motivation and work attitude, values and goals, and competencies. Motivators and values play an important role and are responsible for at least 46% of successful performance, but it is quite difficult to determine them through standard method of selection. Here is the solution! We need to identify key "filters" that allow candidate not only to fit well into the company, but also to work effectively for the benefit of the employer in the long term.

Our consultants have been trained and are now qualified to conduct a candidates' assessment, both through structured interviews, and through a distant testing platform to ensure that the client really hires the right employee for the right job. This method doesn't depend on gender or culture, which makes it applicable in a cross-cultural context, and this is particularly important for our customers, which are international companies operating on the Russian market.

Staffwell

"Tea with Teri" Now on Facebook!

A weekly social media event is hosted by Staffwell CEO, Teri Lindeberg, and Biblio-Globus.

The Moscow bookstore, Biblio-Globus, has launched an interactive Facebook Question and Answer event. Called "Tea with Teri", the event is hosted by Teri Lindeberg, the Founder/CEO of Staffwell and author of the book "Making Perfect".

"Tea with Teri" is a unique opportunity for the followers of Biblio-Globus' Facebook page to have their questions answered by an experienced international recruiter. The weekly discussion offers participants new ideas and practical tips for improving their career, based on Teri's personal experience as the CEO of the Russian recruitment company Staffwell.

The column "Tea with Teri" is updated weekly, every Monday, in what we hope sets a positive tone of improvement for the remainder of the work week!

"If you want more freedom at work, nothing says I'm capable of taking responsibility for my own time like consistently beaten objectives," says Teri Lindeberg, founder and CEO, Staffwell.

Teri Lindeberg, author of Making Perfect, hosted the debut event for her book at the Respublica University in Tsvetnoy Market (Moscow)

Teri Lindeberg, the founder and president of Staffwell, hosted the first discussion of her new book "Making Perfect" at the REPUBLICA UNIVERSITY bookstore in Tsvetnoy (Moscow). Making Perfect, Russia's first employee motivation guidebook, takes an unprecedented look at what does

and does not motivate people at the workplace by presenting in detail the improvements employees want from their employers. This is the story of a successful business transformation by a Russia-based recruitment company.

Teri Lindeberg began the event by explaining why she decided to write the book, what makes her book unique, and then delivered a workshop on cultivating positive corporate culture. She also read aloud a few of the more dramatic passages from *Making Perfect*. The event concluded with an audience Q&A, followed by a signing session and informal talks with the customers in the shop.

Staffwell Executive Director Mark Amelin is elected to the Board of Directors of the "Big Brothers Big Sisters of Russia"

In September 2013, Staffwell Executive Director Mark Amelin joined the Board of Directors of the "Big Brothers Big Sisters of Russia" mentoring program.

In his role as a member of the Board, Mr. Amelin is responsible for coordinating the charitable activities of the organization, supporting its social projects, developing partnerships in the Russian business community and recruiting volunteers for the "Big Brothers Big Sisters of Russia". Mr. Amelin has been elected to the Board of Directors for a term of 3 years. He is the organizations 12th board member.

"We are pleased to welcome Mr. Amelin to the Board of Directors of our organization. This appointment is an acknowledgement of the results that we expect when Russia's top managers are ready to apply their knowledge and skills to social programs," said Roman Sklotsky, Executive Director of "Big Brothers Big Sisters of Russia" mentoring program.

TABLOGIX

In September 2013 international auditing agency Bureau Veritas Certification conducted audit of the Quality Management System of TABLOGIX. The auditors' report shows that the main principles of TABLOGIX are customer focus and complex implementation of its requirements.

Audit activities were held on the warehouse of Volvo spare parts in Tomilino Logistic Park in Moscow Region, on the warehouse of General Motors spare parts in Verkhnyaya Pyshma town and Central Office of TABLOGIX in Moscow.

While visiting warehouses auditors noted:

- the availability of information that describes the characteristics of services (KPIs and customer requirements);
- the availability of work instructions;
- use of suitable warehousing and loading equipment;
- the availability of equipment for monitoring and measuring the results of warehouse operations.

The strong features of Quality Management System of TABLOGIX that were emphasized in the Report of Bureau Veritas Certification: 1. High level of management; 2. Highly qualified staff; 3. High level of effectiveness of Quality Management System; 4. High level of customer satisfaction; 5. Automation of key management and administrative processes; 6. Advanced methods of internal training of production staff; 7. The focus of management and responsible staff on implementation of best practices.

APPOINTMENTS

ALPE Consulting

Mikhail Koveshnikov appointed Head of the Branch Office in Povolzhye Region (Kazan)



ALPE consulting has appointed Mikhail Koveshnikov as the Head of its Branch Office in Kazan. Mikhail is responsible for the SAP practice and business development in the Povolzhye region and oversees the strategic growth of the company in Kazan. He has more than 10 years working experience as a consultant, project and program manager in the IT industry, ranging from implementing information systems to business consulting. Mikhail worked in leading Russian and international companies such as Energy Consulting and KPMG. He has a Masters Degree in Engineering and Economics from Kazan State Technical University.

Marina Shchepanovich appointed as new Marketing Manager of ALPE consulting



Marina Shchepanovich will be responsible for all Marketing and PR activities of ALPE consulting including various web-resources, professional and social media, communication with business associations, partnerships and advertising. Previous to ALPE consulting, Marina was in the Marketing Department of Bostik S.A., one of the leading companies in the production of adhesives and a subsidiary of the French giant Total. She also worked at Atofina (now Arkema), at the time part of Total Group, and as a PR Manager for a Moscow-based magazine and a well-known Scandinavian PR agency in St. Petersburg. Marina graduated from the St. Petersburg State University with a Masters Degree in Linguistics, specializing in the Czech and English languages. Marina speaks Russian, English, Czech, French and Croatian.

Dentons

Dentons expands its German Practice in Russia Alex Stolarsky joins Dentons' team from Beiten Burkhardt



Alex Stolarsky, German Attorney-at-Law from Beiten Burkhardt's Moscow office, has joined Dentons' German Practice in Russia. Alex's practice areas include legal consultancy on market entries, M&A transactions, and establishment and operation of joint ventures.

Alex is also a recognized specialist in legislation regulating foreign investments in strategic sectors in Russia. In particular, he advises national and international clients from the automotive, machine-building, pharmacological, medical and media industries on corporate law issues arising when foreign investors enter and operate in the Russian market and when Russian investors enter European markets.

Florian Schneider, the Moscow Office Managing Partner and Head of Dentons' German Practice in Russia, noted: "Alex has outstanding experience of finding effective solutions for German businesses in Russia and in Germany and his arrival will expand and strengthen our German practice. We are catering to the particular need for German-language advice in international markets by setting up German-speaking teams in almost all of our offices. The members of our German Practice Group in Russia speak our clients' language and also know their business practices and culture to ensure the best advice for their operations in this country."

Gasunie

Han Fennema appointed CEO of Gasunie



The Dutch Minister of Finance has appointed Han Fennema member of the Executive Board of Gasunie as of 1 January 2014. He will assume the position of CEO and chairman of the Executive Board as of 1 March 2014.

Mr. Fennema (1964) has had various management positions within the energy sector, amongst others at ExxonMobil and Eneco. He is chairman of the Executive Board of infrastructure company Enxsis.

As of 1 January 2014 Gasunie's Executive Board will consist of Geert Graaf (interim CEO), Han Fennema and René Oudejans (CFO). Geert Graaf has previously indicated internally that at some point he would like to leave Gasunie to focus on a new path in his career. Geert has agreed to the Supervisory Board's request to brief the new CEO for a period of two months.

Rinse de Jong, chairman of the Supervisory Board: "We are pleased to have found in Han Fennema an experienced director who has earned his position in the energy world and who can strengthen the leading position of Gasunie as a European infrastructure company further. We respect Geert Graaf's decision to leave the company and are grateful to him for his excellent contribution to the company's development."

Jones Lang LaSalle

Tom Mundy appointed Head of Research, Jones Lang LaSalle in Russia & CIS



Jones Lang LaSalle has strengthened its Advisory Group with a new appointment. Tom Mundy has joined the company as Head of Research department. Tom has over 11 years of experience in the sphere of macroeconomic, political and investment analysis. Prior to joining Jones Lang LaSalle, Tom worked for Otkritie Capital as Head of Equity Strategy, Russia & CIS. Previously Tom also covered Russia and CIS Equity Strategy for Renaissance Capital. There he was a member of number one ranked Russia strategy team. Tom Mundy graduated from University College London and went on to pursue his studies at Oxford University where he earned a Master's degree in Russian & East European Studies.

Charles Boudet, Managing Director, Jones Lang LaSalle, Russia & CIS, comments: "It was important for us to make Research an essential advisory function within the real estate

market. Bringing a specialist with a strong macroeconomic background makes it possible. I'm confident that thanks to Tom Mundy's expertise and in-depth understanding of the Russia & CIS economies we will make a quality change in the research product and give our clients a powerful business development tool."

The new head of Jones Lang LaSalle in St. Petersburg is appointed



Jones Lang LaSalle strengthens its team in the North-West region with the strategic appointment of Dmitry Prokhorevich, who joined the team as a new head of the St. Petersburg office after a long-term career in the finance sector.

Dmitry joined Jones Lang LaSalle after ten years with UniCredit Bank, one of Russia's leading banks. His most recent role was Deputy Head of St. Petersburg Filial responsible for corporate business. Under his leadership, UniCredit Bank strengthened its business in St. Petersburg and showed excellent results in the corporate sector.

Previously Dmitry had worked with a number of other market leaders, including Financial Corporation NIKoil, and MENATEP Bank St. Petersburg.

Dmitry was born in 1974 in St. Petersburg. He holds a degree in Financial, Crediting & International Economic Relations from St. Petersburg University of Economics & Finance.

In his new role, Dmitry Prokhorevich will be responsible for the Jones Lang LaSalle business development in St. Petersburg as well as strengthening the corporate image in the local market. Dmitry will focus on extending the company's exclusive projects portfolio and providing clients with full-cycle services.

Metropol Hotel

Dominique Nicolas Godat has been appointed General Manager of the Metropol Hotel, Moscow



Dominique Nicolas Godat from Switzerland, who has more than 30 years of hotel management experience all over the world, was appointed General Manager of the Metropol Hotel, Moscow, at the beginning of September 2013. Mr. Godat had been General Manager of Kulm Hotel, St. Moritz, for 11 years, and held management positions in Pierre Hotel New York, Hotel Plaza Athénée New York, Beau-Rivage Palace Lausanne and Hotel Le Mirador in Vevey.

Michel Rey, Chairman of the Board of Directors of the Metropol Hotel, Moscow, says, "We are all glad to have Dominique on board as our new General Manager. He represents the European experience and attitude in the hotel management that will bring the Metropol Hotel back onto the track where it should be. I would like to emphasize that we highly appreciate the support and achievements of Dmitry Makarov, the Hotel Manager. I believe that Dmitry's skills and enthusiasm and Dominique's experience are the best combination for the success of the Metropol Hotel."

One of the main responsibilities of Michel Rey is to establish together with Dominique Nicolas Godat a master plan for the structural renovation of the Metropol Hotel Moscow.

NEW MEMBERS



Ambroi is a web-based service where advice-seekers can get a vivid understanding of ongoing market trends and carry out valuable researches globally – all via getting in touch with reputable business executives directly and effortlessly. Ambroi's users range from analytical departments of bluechip companies, to private equity investors and entrepreneurs. Sign up to access the service is free via www.ambroi.net.

For inquiries please send an email to ad@ambroi.net or call +44 207193 8005

www.ambroi.net



Baker Tilly Russaudit is the Russian member firm of Baker Tilly International, one of the world's leading networks of independently owned and managed accountancy and business advisory firms united by a commitment to provide exceptional service.

Every day, 26,000 people in 131 countries share experiences and expertise to help privately held businesses and public interest entities meet challenges and proactively respond to opportunities. International capability and global consistency of service are central to the way we work.

Experts across a wide range of industry and business sectors, each Baker Tilly International member firm combines high quality services and in-depth local knowledge.

In Russia since 1992, we have four locations: Moscow, St Petersburg, Nizhny Novgorod and Tver, from which over 200 uniquely trained professionals provide solutions for clients in the fields of audit, valuation, due diligence, forensic, consulting, tax advisory and business process outsourcing, and similar areas. Why not ask us if we have solved the problem which currently worries you for a similar business already?

We ensure we understand the client's perspective and use strategic thinking and our unique experience to find solutions which really solve problems and add value, even in small tasks – hence we provide exceptional service.

www.bakertillyrussaudit.ru



Business Media Russia is focused on providing its clientele with efficient, productive and humanly interactive B2B

solutions, providing in-house-like services. By fulfilling your business processes and tasks we at BMR aim to help you realize your ambitions by acting as an extension of your company and treating your projects as our very own.

In-depth knowledge of Russian and international business practice gives BMR a unique position in being able to work within and advise a wide range of industry sectors.

We provide an extensive range of business-to-business services in the fields of media, communications, outsourcing solutions, sales and marketing, majoring in B2B events and professional exhibitions, teaming up with international enterprises represented in Russia and CIS.

We also successfully use our worldwide partner network to promote domestic businesses abroad with outstanding ability in adapting Russian products for global market.

www.businessmediarussia.ru



CASTRÉN & SNELLMAN

We provide our clients with quick and reliable help with all their business law issues. With over one hundred lawyers, we are one of Finland's largest law firms.

We have offices in Helsinki, Moscow and St. Petersburg. In other parts of the world, we work with an extensive international network of law firms, which we have vetted for reliability and reputability.

We are known for our straightforward way of doing things, the Castrén spirit, which is built on our firm's values of confidence, respect, the spark and productive balance. Founded in 1888, we are Finland's oldest law firm.

www.castrén.fi



CONSULTING AND COACHING

Co&Co is the leading training and consulting company in Russian automotive market.

Co&Co conducts trainings in Sales, After Sale, Management, Marketing, Co&Co also provides analysis and coaching, mainly for automotive dealers. Most of Automotive National Sales Companies are our customers.

www.coandco.ru



CORMAY GROUP is an in-vitro diagnostics group of companies from Switzerland, Poland, Italy, and Ireland

developing and manufacturing high quality diagnostic reagents and advanced laboratory equipment. Our philosophy is to manufacture the highest quality products that give reliable results and the insight into the patient's health. We also support our clients with intensive product training and after-sales service provided by qualified specialists. The high quality of our reagents and analyzers is confirmed everyday by many numerous laboratory practitioners all over the world.

Our clinical chemistry and immunology portfolio includes a full range of routine and sophisticated tests essential for accurate diagnosis, treatment and monitoring of patients. For hematology labs we provide an innovative technology supported by Swiss analyzers. The CORMAY GROUP companies also supply coagulation reagents and electrophoresis gels to meet all the needs of lab practitioners.

A highly developed distribution network of the group consists of 221 distributors in more than 120 countries (specialized in different in-vitro diagnostics fields). CORMAY GROUP companies sell their diagnostic reagents combined with automatic laboratory analyzers all over the world.

www.cormay.ru



Customs Rus is the customs representative since 2001. The company provides full range of logistics services, including DDP deliveries. Customs Rus does the customs audit and consultations on trade agreements.

www.customsrus.ru



DENTSPLY Implants is the world leader in dental implants production.

DENTSPLY Implants is the union of two successful and innovative dental implant businesses: DENTSPLY Friadent and ASTRA TECH Dental.

We provide predictable and lasting patient-specific implant solutions with a comprehensive line of dental implants, digital technologies and professional development tools.

We are dedicated to continuing the tradition of DENTSPLY International – the world leader in dentistry with 110 years of industry experience – by providing high quality, ground-breaking oral healthcare solutions that create value for dental professionals and enhance their patients' quality of life.

www.dentsplyimplants.com



Elite Security was founded in Moscow in 1997 by Russian security professionals with significant experience in security, business intelligence and state structures. The company quickly found a niche providing bespoke security services to meet the needs of multinational companies operating in the former Soviet Union.

Currently Elite Security provides a full spectrum of security services in Western and Eastern Europe, the former Soviet Union and the Russian Federation. The company has adopted a western approach to security, employs expat staff and stands out in the market for its quality and attention to the needs of the client.

www.iris-russia.com



Evli Russia is a part of Corporate Finance unit of Evli Bank Plc – a leading investment bank in Finland and the Nordic countries. Since 1996, Evli Russia has provided corporate finance and strategy advisory services for foreign and Russian clients with focus on the mid-market transactions. We are advising our clients on mergers and acquisitions, disposals, leveraged buy-outs, joint ventures and various capital market transactions including public and private fund raisings.

In Russia the company is represented by two offices, in Moscow and St. Petersburg.

12 M&A transactions have been completed since 2010. 80% of the projects are cross-border.

www.evli.com



Fircroft has been placing people in specialist technical industries for over 40 years, focussing on mid- to senior-level engineers for contract and permanent roles worldwide.

We currently have over 7,500 contractors placed in jobs around the world and, as well as contractor recruitment, we also fill permanent job vacancies across our key sectors: Oil & Gas, Automotive, Power & Energy, Mining & Minerals and Engineering. With global contacts in the world's largest energy companies, we'll find you a role that supports your professional life, builds on your skills and fulfils your potential, within a work culture that suits you.

Our success and reputation hinges on our people-centred approach. By ensuring our own people are focused, committed and approachable, we make sure the recruitment process is both seamless and enjoyable.

When it comes to finding people the right job: we're the right people for the job.

www.fircroft.com



Flash Europe is a highly experienced specialist for urgent transport solutions, especially in the automotive and machine-building branches, as good as for Tier I and Tier II autocomponent suppliers. Additionally, the company has a division with the specialization in biolistics.

www.flash-europe.com

K&L GATES

K&L Gates LLP is an international law firm positioned at strategic intersections in the global economy. K&L Gates represents leading global corporations, growth and middle-market companies, capital markets participants and entrepreneurs in every major industry group as well as public sector entities, educational institutions, philanthropic organizations and individuals. Our practice is a robust full market practice — cutting edge, complex and dynamic, at once regional, national and international in scope.

www.klgates.com



Lawspells Law Firm is a Moscow-based law firm established by qualified lawyers who want to provide a world-class service.

Founded in 2009, Lawspells is nationally recognized for providing high quality legal services to local and international businesses operating and investing in Russia. Lawspells provides comprehensive legal support to entrepreneurs and businesses of all sizes from newly-conceived start-ups to global companies across all major industries.

Lawspells helps businesses adapt to the unique legal environment in Russia.

www.lawspells.com



Селекция Вашей прибыли

Limagrain is one of the leading seed companies in the world. In Russia Limagrain represents seeds of field crops under LG brand (corn, sunflower, rape, spiked cereals, leguminous crops).

www.limagrain.ru

narrativeinsights

Narrative Insights enables leaders to improve decision-making in conditions of uncertainty. In an increasingly more complex world, keeping the organisation ahead of the curve has become a critical C-level challenge. 'Big Data' promises to assist in this by revealing 'who' did 'what' 'where' 'when' and 'how.' But complex challenges also require understanding 'why?' As part of a global network, Narrative Insights provides SenseMaker®-based engagements to leverage 'Big Knowledge' that goes beyond the numbers and provides leaders with real insights they can see, understand and act upon.

www.narrativeinsights.com



Noble House Group specializes in helping foreign businesses to develop successfully in Russia.

Working on the Russian market since 2001, Noble House Group has a wealth of experience, including implementation of large-scale, capital-intensive projects, and has achieved a high level of competence in international business.

Complete understanding of the specifics of the Russian market, strong government connections and excellent knowledge of Russian legislation make our experience indispensable for doing business in Russia

Noble House Group offers:

- Back-office
- Executive Search
- Foreign Trade
- Market Entry Support

Noble House Group offers a full range of services in all aspects of business on the Russian market to companies with foreign capital, trading and industrial enterprises and non-profit organizations.

Our competences include finance, taxation, sales, import, transport, and warehouse logistics, legal and HR services including recruitment, IT support, and Certification.

www.noblehouse.ru



Performance Partners provides consulting, training, and coaching services to companies in the field of personal leadership, communication, and strategic culture.

Performance Partners' methodologies, practices and working principles are the proprietary know-how of the international company Persona Global and are proven already by its 33 years of business experience in 71 countries worldf-wide. They are implemented and enriched by the personal managerial and coaching experience of its founder, Orlin Efremov.



RichartsMeyer is a dynamic, resourceful and fast-growing international recruitment company lead by the best recruiters in the industry.

Our agency delivers high-quality services for prominent international and local companies operating in the emerging markets of Russia, Kazakhstan and Ukraine.

Based in Moscow RichartsMeyer specializes in mid-to high-level professional recruitment, the selection and the assessment of top talent for companies across various industries. We also provide a full range of services including salary surveys, market mapping, outplacement and start-up support.

Utilizing a variety of approaches including headhunting, executive search and talent mapping, we are a highly efficient firm with a proven performance record of effectiveness. Since 2010, we have successfully placed numerous highly skilled professionals within leading Russian and international companies.

At RichartsMeyer, our team of skilled professionals has an in-depth knowledge of the marketplace and extensive search experience. Their expertise in specialized industries and functions allows us to provide effective, long-term solutions that add value to our clients' operations in this complex region.

www.richartsmeyer.ru



RIGHT APPROACH provides customised skills training in MANAGEMENT: develop Management, Motivation and Leadership skills. SALES: build core skills in Telephone Selling, Basic and Advanced Sales Skills, Key Account Management and Negotiation. COMMUNICATION SKILLS: refine Presentation Skills and Customer Service levels.

GENERAL BUSINESS TRAINING courses to grow key skills like Time Management or Report Writing.

Our programs are designed along your needs to guarantee optimal solutions for groups of all sizes regardless of location. We believe every client is unique. Partner with us and we will build a unique course tailored to your specific needs with quantifiable end results.

www.therightapproach.ru



Ruperti Project Services International Ltd in association with Davis Langdon (RPSi) acts as an interface between clients and their design/construction team, providing total proactive project management, including, but not limited to, feasibility, design, programming, cost planning, performance of employer's/developer's duties under Russian law, obtaining permits and approvals, coordination, cost control, on-site technical supervision, quality control, legal support to clients and general monitoring of construction projects from their inception through to completion and commissioning. At present, we employ more than 80 people, including Civil Engineers, Structural Engineers, MEP Engineers, Project and Cost Managers, Lawyers, Interpreters and Support Personnel. More than fifteen percent of the staff are expatriate specialists, possessing contemporary international experience in construction and professional management.

The Moscow office was originally set up in 1999, and has gone from strength to strength. Effective from 1 May 2005, RPSi entered into a strategic alliance with Davis Langdon LLP, one of the world's largest consultants, under the name of "Ruperti Project Services International Ltd 'in association with' Davis Langdon" creating a Moscow-based office with a qualified staff who combine a profound knowledge of international standards and sophisticated methods of project/cost management services with expertise in the specific conditions of the local market and Russian statutory requirements, enabling us to address the very largest of construction and development projects in Moscow and the Russian Federation.

www.rpsi.ru



Sheraton®
Moscow

New Sheraton Moscow Sheremetyevo Airport Hotel – five star services and facilities now available near international airport. The new 10-storey hotel comprises 342 guest rooms, two restaurants and bars, around 1000 square metres of ultra-modern meeting space, a 900 square metre spa with indoor pool and fitness centre. Signature Sheraton amenities include the luxurious all-white Sweet Sleeper® beds, the Sheraton® Club, the Link@Sheraton™ experienced with Microsoft®, the Sheraton® Fitness programmed by Core Performance and the Shine Spa for Sheraton®.

The recently-opened Sheraton Hotel is located just 800 metres from the international terminals of Sheremetyevo Airport along the main access highway to the airport. It

is built as part of the SkyPoint Business Park, a fully safeguarded seven-hectare development with offices, parking and green open spaces, offering an organised and beautiful environment.

www.sheratonmoscowairport.com



SLiCK is a provider of innovative and cost-effective Logistic software solutions. Currently active in BENELUX, UK and Italy; we have taken the decision to step into the expanding logistics market in eastern Europe to ensure that its growth is supported with the very best available software. Our flagship product is the ARGUS Logistics Suite, which is a fully integrated transportation visibility and communication platform, used collaboratively by all of your logistical partners. With a proven track record of reducing operational workload, lightning fast ROI, full optimisation of global supply-chains and proactive exception management strategies, SLiCK's vision is to develop software that will define the future of supply-chain management.

www.slickss.com



Stanton Chase is ranked within the top 10 global retained executive search firms. With proven expertise in key sectors of the global economy, it has 9 specialist practice groups that operate as international teams. Stanton Chase is owned by its partners who take individual responsibility for delivering outstanding quality for each assignment. Stanton Chase is a member of the Association of Executive Search Consultants. Established in 1990, Stanton Chase International is one of the leading global executive search firms. We operate through focused industry practice groups, each led by a global practice team leader. We are everywhere in the world our clients need us to be, so we can offer both global perspective and local insight. Stanton Chase has developed a unique business structure and model that empowers its partners to give outstanding service to our clients.

www.stantonchase.com



Since 2000, the company has been active in the Russian customs clearance and forwarding industry in both

import as well as export shipments. Its headquarters in St. Petersburg, and eight other stores, make it possible to offer the ideal logistics solutions, while retaining the uniformity of a single service provider. TransLogix offers diversified European-level services in Russia in all fields of transportation and the supply chain.

www.translogix.ru



Our company Vlasta-Consulting operates in the area of business security services. Among our clients are many of the world's largest and most successful companies which represent different sectors of an economy such as Adidas, Reebok, Rasch, Novartis, Unilever, Joint JDC, Philip Morris, Volkswagen etc. We have reliable partners all over the world and significant connections in such well-known professional organizations as WAD (World Association of Detectives), ASIS International, ABI (Association of British Investigators), INTA (International Trademark Association).

We specialize in providing business intelligence and IP-protection services in Russia. We have good capabilities in all regions of Russia, and also cover the countries of the former USSR as well as Eastern and Central Europe. Among those we operate more frequently in are: Ukraine, Belarus, Moldova, Kazakhstan, Georgia, Armenia, Kyrgyzstan, Baltic States (Latvia, Lithuania, Estonia), Poland, Czech Republic, Hungary, Slovenia, Romania, Bulgaria and Croatia.

Experts from our company have been working in the sphere of business intelligence and IP (Intellectual Property) rights protection for many years and have significant experience in that area.

www.vlasta-s.com



Established in 1992 in Moscow, YUST is a successful Russian law firm consisting of over 70 lawyers with offices in Moscow, Novosibirsk, Kiev and Donetsk.

YUST professionals provide a full spectrum of legal services and advice to corporate and private clients in Russia, Ukraine and other countries. Advising foreign and Russian clients on a diverse range of corporate, tax and business legal issues is one of the firm's core activities.

The Legal 500 has consistently rated YUST as a leading Russian law firm.

www.yust.ru

**ASSOCIATION
OF EUROPEAN BUSINESSES**

Russian Federation, Ul. Krasnoproletarskaya 16, bld. 3
127473 Moscow, Russian Federation
Tel.: +7 (495) 234 27 64. Fax: +7 (495) 234 28 07
info@aebrus.ru. http://www.aebrus.ru



**АССОЦИАЦИЯ
ЕВРОПЕЙСКОГО БИЗНЕСА**

Российская Федерация, 127473, Москва,
ул. Краснопролетарская, 16, строение 3
Тел.: +7 (495) 234 27 64. Факс: +7 (495) 234 28 07
info@aebrus.ru. http://www.aebrus.ru

AEB MEMBERSHIP APPLICATION FORM / ЗАЯВЛЕНИЕ НА ЧЛЕНСТВО АЕБ

Please fill out the Application Form in CAPITAL letters, sign it and fax it: 234 28 07/

Заполните заявление печатными буквами и пришлите по факсу 234 28 07

Calendar year / Календарный год: 2014 ☐ (Please check the appropriate box/boxes / Укажите соответствующий год/года)

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

1. COMPANY / СВЕДЕНИЯ О КОМПАНИИ

Company Name in full, according to company charter. (Individual applicants: please indicate the company for which you work /
Название компании в соответствии с уставом. (Для индивидуальных членов – название компании, в которой работает заявитель):

Legal Address (and Postal Address,
if different from Legal Address) /
Юридический и фактический адрес,
если он отличается от юридического:

INN / KPP / ИНН/КПП:

Phone Number / Номер телефона:

Fax Number / Номер факса:

Website Address / Страница в интернете:

2. CATEGORY / КАТЕГОРИЯ:

THE CATEGORY IS DETERMINED ACCORDING TO THE COMPANY'S WORLD TURNOVER

Please indicate your AEB Category / Отметьте категорию		Company's world-wide turnover (euro per annum) / Мировой оборот компании (евро в год)	AEB Membership Fee / Членский взнос в АЕБ
<input type="checkbox"/>	SPONSORSHIP / Спонсорство	–	10,000 euro/евро
<input type="checkbox"/>	CATEGORY A / Категория А	>500 million/миллионов	6,300 euro/евро
<input type="checkbox"/>	CATEGORY B / Категория Б	50–499 million/миллионов	3,800 euro/евро
<input type="checkbox"/>	CATEGORY C / Категория С	1–49 million/миллионов	2,200 euro/евро
<input type="checkbox"/>	CATEGORY D / Категория Д	<1 million/миллионов	800 euro/евро
<input type="checkbox"/>	INDIVIDUAL (EU/EFTA citizens only)/ Индивидуальное (только для граждан Евросоюза/ЕАСТ)	–	800 euro/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 любого юридического лица из страны, не входящей в Евросоюз/ЕАСТ, и желающего стать членом АЕБ,
должно быть письменно подтверждено двумя членами АЕБ (юридическими лицами, зарегистрированными
в Евросоюзе/ЕАСТ, или индивидуальными членами – гражданами Евросоюза/ЕАСТ)

**Individual AEB Membership is restricted to EU / EFTA member state citizens, who are not employed
by a company registered in an EU / EFTA member state /**

К рассмотрению принимаются заявления на индивидуальное членство от граждан Евросоюза/ЕАСТ,
работающих в компаниях, страна происхождения которых не входит в Евросоюз/ЕАСТ

Please bear in mind that all applications are subject to the AEB Executive Board approval /

Все заявления утверждаются Правлением АЕБ

3. CONTACT PERSON / INDIVIDUAL MEMBER / КОНТАКТНОЕ ЛИЦО / ИНДИВИДУАЛЬНЫЙ ЧЛЕН

Title, First Name, Surname / Ф.И.О:	
Position in Company / Должность:	
E-mail Address / Адрес эл. почты:	

4. COUNTRY OF ORIGIN / СТРАНА ПРОИСХОЖДЕНИЯ	
A. For a company / Компаниям: Please specify COMPANY'S 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	
<p>Please note that only EU / EFTA members can serve on the Executive Board and the Council of National Representatives/ Внимание! В Совет национальных представителей и Правление могут быть избраны члены, представляющие страны Евросоюза или ЕАСТ.</p> <p>Please fill in either A or B below/ Заполните только графу А или В</p>	

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
<p>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)</p>			

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"/> Media / СМИ	<input type="checkbox"/> Event / Мероприятие
<input type="checkbox"/> Advertising Source / Реклама: _____	<input type="checkbox"/> Other / Другой: _____

Signature of Authorised Representative of Applicant
Company / Подпись уполномоченного лица заявителя:

Signature of Authorised Representative of the AEB /
 Подпись Руководителя АЕБ:

 Date/Дата:

 Date/Дата:

¹ Location of a parent company or of the main shareholder/ Местонахождение головной конторы или основного учредителя.



Association of European Businesses



Quality Information

Effective Lobbying

Valuable Networking

Ul. Krasnoproletarskaya, 16, bld. 3,
Moscow, 127473, Russia
www.aebrus.ru

BUILT Around people

Telenor Group helps more than 150 million people in 12 countries across Europe and Asia get the best communications services every day. Through our core investment in Russia, VimpelCom, another 215 million people are served in 17 additional markets. As a long-term strategic investor in Russia since 1992, Telenor has been actively engaged in developing the telecommunications market in Russia and contributing to Russian historic and cultural heritage. We are proud to be an official partner of the Bolshoi Theatre, now for the 5th season running.

www.telenor.ru



Telenor Group, official sponsor
of the Bolshoi Theatre since 2008