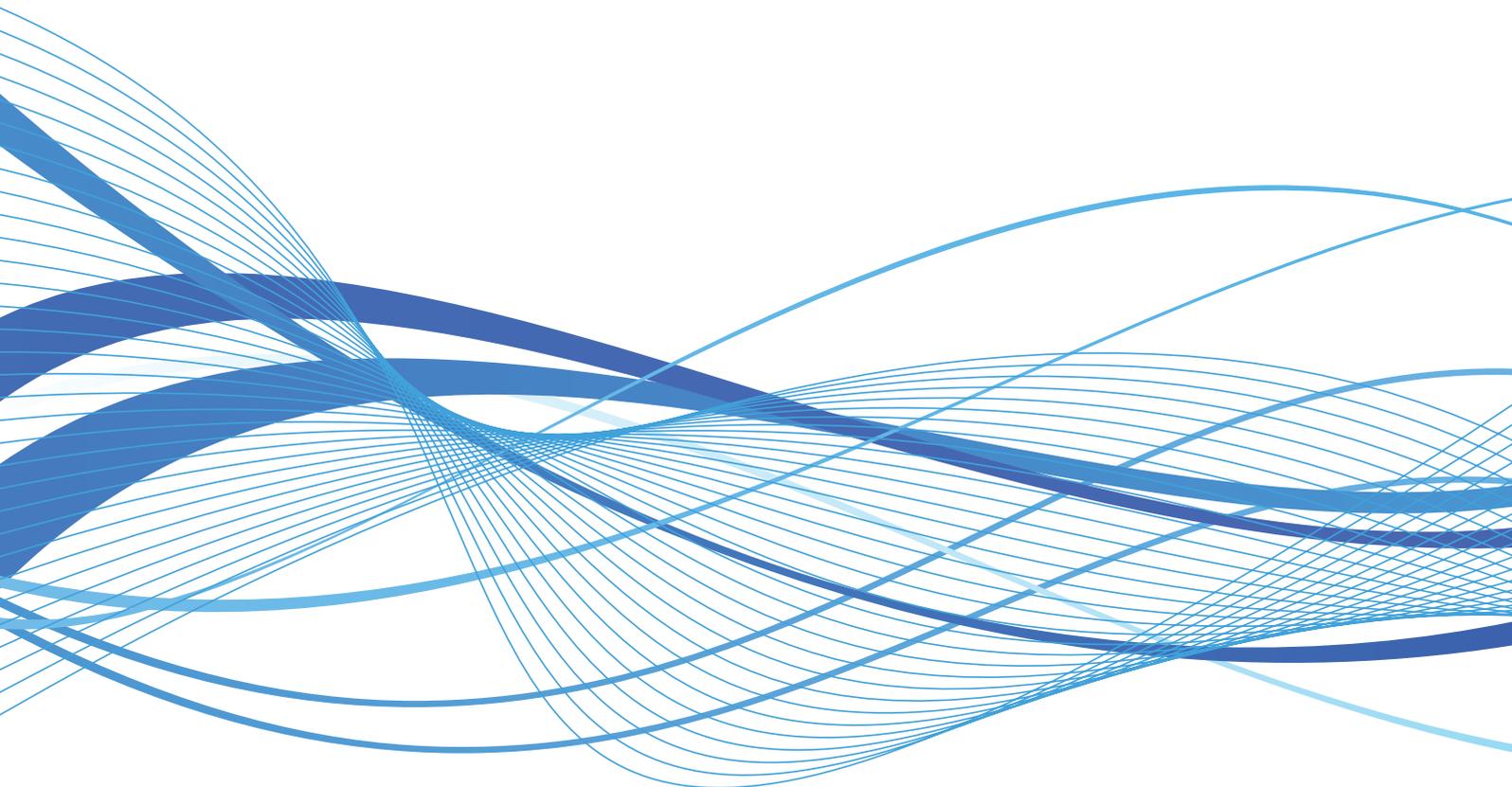




Association
of European
Businesses

ANNUAL REPORT

2016



AEB SPONSORS 2017

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Dr. Thomas Stärtzel
Chairman of the Board,
Association of European
Businesses



Frank Schauff
Chief Executive Officer,
Association of European
Businesses

DEAR READERS,

The AEB is the main representation of foreign investors in Russia. It is the largest and most influential foreign business association in Russia, which includes more than 500 leading European and international companies operating in Russia.

In recent years the AEB has gained significant influence in terms of promoting of interests of European business in Russia. Not only are we privileged to have a close working relationship with the European Commission and the European Parliament, but the AEB is currently Russia's main partner with regards to EU – Russia economic relations.

In 2016, we launched the AEB Arbitration Court (AAC) which is planned to operate as a dispute resolution mechanism for both AEB member and non-member companies willing to use the AEB Arbitration Court as an alternative to conventional litigation. It aims to provide a venue for the resolution of international commercial disputes.

The AEB also pays considerable attention to its fruitful working relationship with the press, and looking at the increase of AEB mentions in the press compared to last year, it is clear that these efforts are not in vain. Currently, AEB events are covered by both the Russian (Kommersant, Vedomosti, Izvestia, RBC, 1 Channel, Interfax, TASS, etc.) and foreign (Bloomberg, BBC, BILD-Zeitung, Caijing, Der Spiegel, Deutsche Welle, Die Welt, DWN, El Mundo, El Pais, Euronews, Europa Press, La Tribune, Le Figaro etc.) media.

Our publications, the most important being the Position Paper and the AEB Business Quarterly, are currently delivered to major organisations, business centres and hotels in Russia and beyond.

We would like to express our gratitude on behalf of all our members to the members of the Board, the Council of National Representation, the Auditing Commission and all the Committee Chairs for their hard work and dedication in representing and promoting the interests of AEB member companies, and for their commitment to forging stronger economic ties between the EU, Russia and the Eurasian Economic Union. Through our Committees, Subcommittees and Working Groups, the AEB will continue to work for the benefit of European businesses operating in Russia.

As the next pages will show, 2016 was quite eventful. We hope that this Annual Report will show all our members that the AEB is in fact doing everything in its power to lobby the interests of its member companies and this is a tradition we most definitely intend to continue in the years to come.

THE ASSOCIATION OF EUROPEAN BUSINESSES (AEB)

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

Committees. Committees are the backbone of the AEB. 534 Members of the Association promote their interests via participation in various committees. There are currently 65 committees, sub-committees and working groups representing companies from various industries.

Lobbying. The Association promotes its members' interests by closely cooperating with the EU authorities and holding regular consultations with relevant officials. The European Commission is regularly consulted with the Association in connection about financial and commercial relations with the Russian Federation. The multi-level structure of the bilateral relations strengthens the role of the European business community. AEB's lobbying is based on the maximum transparency, high professionalism and a mechanism of reacting to new challenges which has been adjusted over many years.

Consulting. The Association engages European and Russian experts to consult Russian officials and its member companies in legal, financial and economic matters. In particular, practical support is offered in safe and transparent investment, and issues of human resources and corporate management are discussed.

The AEB has two regional branches, in Krasnodar and Saint Petersburg.

The AEB has two regional branches, in Krasnodar and Saint Petersburg.

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Tel.: +7 (812) 458 58 00

MEDIA RELATIONS

The number of media requests remained very high in 2016. AEB press contacts include federal Russian media and information agencies (Kommersant, Vedomosti, RBC, Izvestia, 1 Channel, TV Channel Russia – 24, TV Channel Russia – 2, TV Channel Russia Today, RBCTV, NTV, Interfax, TASS, RIA Novosti, etc.), regional media (specifically the North-Western region media contacts – St. Petersburg, and the Southern region press contacts, as well as the Krasnodar, Sverdlovsk, Sakhalin, Altai regions and the Tatarstan Republic), international and national foreign media such as: Bloomberg, BBC, BILD-Zeitung, Caijing, Der Spiegel, Deutsche Welle, DieWelt, DWN, El Mundo, El Pais, Euronews, Europa Press, La Tribune, Le Figaro, Le Monde, Les Echos, Financieele Dagblad, Handelsblatt, RFI, Reuters, Uutispäikkö, Wirtschaftsblatt (Autriche), YLE, and others.

Press conferences and briefings. In 2016, the AEB organised a number of large press conferences, such as the annual Automobile Manufacturers Committee press-conference (14 January 2016); a briefing by Maxim Topilin, Minister of Labour & Social Protection (9 February 2016), a briefing by Oleg Belozеров, President, RZD (11 February 2016), the 7th Northern Dimension Forum (7 April 2016); the press-conference on the Code of Conduct for pharmaceutical producers (19 April 2016); the XIII AEB Flagship conference: Russian regions and foreign Investors (26 May 2016); the press-conference "Machine building market trends in Russia" (9 June 2016 and 6 December 2016); the AEB Real Estate Day (22 September 2016); the AEB Arbitration Court's Presidium event "The future of arbitration in Russia – arbitration reform and the creation of the AEB arbitration court" (6 October 2016); a briefing by Sergey Lavrov, Minister of Foreign Affairs of the Russian Federation (25 October 2016); a briefing by Lev Kuznetsov, Minister for North Caucasus Affairs (15 November 2016); the press-conference "2016 results for international seed & crop protection companies: modern technologies for increasing the productivity of Russian agriculture" (21 December 2016), and others.

Press meetings. This year a number of mass media representatives made company presentations for AEB members. They included Mikhail Fishman, Editor in Chief, The Moscow Times, and Dmitry Gruzdev, Deputy Editor-in-Chief, Rossiya Segodnya International Agency (RIA – Novosti).

Press releases. In 2016, the AEB communications department issued a number of press releases, including monthly press releases with the results of Russian car and LCV sales, the results of the annual AEB-GfK Rus survey "Strategies and prospects for European companies in Russia", press-releases on the sales of new construction equipment, messages about AEB lobbying activities, committee initiatives and AEB briefings.

- In 2016, the AEB was quoted over 17,800 times.¹

AEB Corporate Social Responsibility

The Association of European Businesses has been supporting the Tagansky Children's Fund throughout 2016.

Online activities

In September 2016, the AEB launched the Russian version of its website www.aeb.ru/ru. Since then our visitors have been able to view information on AEB activities and news in both languages – English and Russian. This has helped to increase our daily online audience.

In addition, the AEB announced the launch of its special BSP (Business Services Platform), a lead-generating platform where potential clients can request quotations for different types of services (legal, consulting, auditing, etc.) from AEB member companies by filling out a short form.

The request is automatically forwarded to a number of companies from the pool of service providers and is then processed by the BSP participating companies — they contact the potential client, clarify all the details and then the client receives a number of offers and selects the one that best meets his or her requirements.

Publications

- The AEB continued to publish its Business Quarterly magazine with a circulation of 16,000 copies.
- As ever two versions of the Real Estate Monitor were released four times during the year, in print and online.
- As always, the AEB continued to release its Position Paper which contains the aggregated experience of AEB members: over 500 companies working in the Russian market, who are well acquainted with the hard end of doing business in this exciting and rewarding country. It has been distributed in Brussels and to the state authorities of the Russian Federation as well as among all the AEB members.
- The AEB also continued to publish its annual magazine "HR sector in Russia" with analyses and expert views on the current HR market.

¹ According to Interfax-SCAN

Open and Social Events

January-December
2016



Selected AEB Open Events 2016

- AMC Press Conference **14.01**
- Annual Strategy Meeting **21.01**
- Briefing by Peter Tabak, Associate Director, Lead Regional Economist, European Bank for Reconstruction and Development "Russian Economic Development Under Persistently Low Oil Prices" **25.01**
- Presentation of AEB Arbitration Court (AAC) **26.01**
- Press Reception **28.01**
- Briefing by Alexey Ulyukaev, Minister of Economic Development of the Russian Federation **1.02**
- "Tatarstan International Automotive Forum supported by Automechanika" **3–5.02**
- Briefing by Maxim Topilin, Minister of Labor & Social Protection of the Russian Federation **9.02**
- Presentation of Investment Potential of Krasnodar Region **10.02**
- "Perspectives of Cooperation between RZD & European Companies" **11.02**
- "Meet the media" **12.02**
- AEB Winter Cocktail **15.02**
- "Current Issues of Migration Legislation Application in the Russian Federation" **18.02**
- "IT in the aspect of intellectual property rights" **2.03**
- Finish Euroreception **10.03**
- 12th Annual Customs Conference **11.03**
- Board Mission to Brussels **16-18.03**
- 13th HR Conference "Russia and the New Reality for HR" **22.03**
- Presentation of the Investment Potential of Armenia **23.03**
- "Compliance and HR: Cross-functional Collaboration in a Company?" **29.03**
- "Blockchain Technology: How in the Present to be Ready for the Future?" **31.03**
- VII Northern Dimension Forum **7.04**
- World Bank Briefing **12.04**
- "Code of Good Practice in the Pharmaceutical Industry" **19.04**
- Annual General Meeting **21.04**
- "Foreign Currency Lease" **28.04**
- Pushkin Museum Meeting **17.05**
- 13th AEB Flagship Conference "Russian Regions and Foreign Investors" **25.05**
- Briefing by Alexey Komissarov, Director of the Industrial Development Fund **31.05**
- St.Petersburg European Dialog **31.05**
- French Euroreception **1.06**
- "Machine Building Market Trends in Russia (first half of 2016)" **9.06**
- "Strategies and Prospects for European Companies in Russia" in Moscow **14.06**
- "Strategies and Prospects for European Companies in Russia" in St. Petersburg **15.06**
- Meeting of the AEB and EEC with the Customs Authorities in Italy, **22–24.06**
- "Development of the Russian Tax System: Results of the First Half of 2016 and Perspectives" **29.06**
- Polish Euroreception **30.06**
- Round Table "Carbon Pricing: Models, Issues and Proposals" **6.07**
- Round Table "Robotisation, Industrial Automation and Internet of Things – Old Problems, New Solutions" with the International Federation of Robotics (IFR), Innoprom **12.07**
- "Electronic Insurance in Russia" **15.07**
- Meeting with Denis Pak, Head of the internal trade, light industry and consumer market department, Ministry of Industry and Trade of Russia, Minprom-torg **21.07**
- 7th International Moscow Automotive Forum, IMAF 2016 **22-23.08**
- Presentation by the Rossiya Segodnya International Information Agency **15.09**
- Presentation of Agency of Technological Development "Opportunities and Mechanisms for Cooperation" **20.09**
- Real Estate Day **22.09**
- Swiss Euroreception **28.09**
- "Waste Management: the New Russian Waste Legislation and its Practical Steps" **29.09**
- "Intellectual Property Rights: Recent Trends, Court Practices, Problems and Solutions" **4.10**
- "The Future of Arbitration in Russia – Arbitration Reform and the Creation of the AEB Arbitration Court", **6.10**
- Meeting the State Tretyakov Gallery **7.10**
- Talks on the Russian Economy **11.10**
- Briefing by Sergey Lavrov, Minister of Foreign Affairs of the Russian Federation "EU-Russia Relations in Changing World" **25.10**
- Presentation of Investment Potential of Altai Krai **26.10**

- Session on “Technological Aspects of Joining the Asian Super Ring” at the Forum Open Innovations **27.10**
- Briefing by Gabriel Di Bella, Resident Representative International Monetary Fund in the Russian Federation “Russia: From Stabilisation to Growth” **2.11**
- “Technical Regulation and Conformity Assessment in the EAEU and the EU Prospects for Approximation” **8.11**
- Meeting with Valentin Gapanovich, Senior Vice-President Russian Railways (RZD) «Energy Saving and Energy Efficiency Problems in the Railway Transport” **9.11**
- Austrian Euroreception **10.11**
- Robert-Jan Smits DG Research **11.11**
- World Bank Briefing **11.11**
- Briefing by Lev Kuznetsov, Minister of North Caucasus Affairs of the Russian Federation “Possibilities of investments and economic and trade cooperation with the North Caucasus Regions” **15.11**
- Presentation of Investment Potential of Sakhalin Region **16.11**
- Sponsors Dinner **22.11**
- Round Table “Best Health & Safety Practices” **23.11**
- “Sustainable Office – Comfort & Energy Efficiency” **1.12**
- “Engineering & Project Management: Risks Mitigation” **6.12**
- Meeting with Andrey Danilenko, Ombudsman for Protection of the Entrepreneurs’ Rights in Trade “Investments into the Human Capital” **7.12**
- “Social Investments of Business: Investments into the Human Capital” in Krasnodar **8.12**
- Participation in the Investment Council under the Governor of the Leningrad Region **14.12**
- “Development of the Russian Tax System: Results of 2016 and Perspectives” **15.12**
- “Pension System of Russia: Looking into the Future” **20.12**
- “Results 2016 for International Seed and Crop Protection Companies: Modern Technologies Increasing Productivity of the Russian Agriculture” **21.12**

14.01: AMC PRESS CONFERENCE



21.01: ANNUAL STRATEGY MEETING



25.01: BRIEFING BY PETER TABAK,

Associate Director, Lead Regional Economist, European Bank for reconstruction and development



26.01: PRESENTATION OF AEB ARBITRATION COURT



01.02: BRIEFING BY ALEXEY ULYUKAEV,

Minister of Economic Development of the Russian Federation



09.02: BRIEFING BY MAXIM TOPILIN, Minister of labour & Social Protection of the Russian Federation



11.02: MEETING WITH OLEG BELOZEROV "PERSPECTIVES OF COOPERATION BETWEEN RZD & EUROPEAN COMPANIES"



18.02: "CURRENT ISSUES OF MIGRATION LEGISLATION APPLICATION IN THE RUSSIAN FEDERATION"



2.03: "IT IN THE ASPECT OF INTELLECTUAL PROPERTY RIGHTS"



10.03: FINNISH EURORECEPTION



11.03: 12TH ANNUAL CUSTOMS CONFERENCE



23.03: PRESENTATION OF THE INVESTMENT POTENTIAL OF ARMENIA



29.03: "COMPLIANCE AND HR CROSS-FUNCTIONAL COLLABORATION IN A COMPANY"



31.03: "BLOCKCHAIN TECHNOLOGY: HOW IN THE PRESENT TO BE READY FOR THE FUTURE"



19.04: "CODE OF GOOD PRACTICE IN THE PHARMACEUTICAL INDUSTRY"



28.04: "FOREIGN CURRENCY LEASE"



25.05: 13TH AEB FLAGSHIP CONFERENCE "RUSSIAN REGIONS AND FOREIGN INVESTORS"



31.05: BRIEFING BY ALEXEY KOMISSAROV, Director of the Industrial Development Fund



01.06: FRENCH EURORECEPTION



09.06: "MACHINE BUILDING MARKET TRENDS IN RUSSIA, FIRST HALF OF 2016"



14.06: "STRATEGIES AND PROSPECTS FOR EUROPEAN COMPANIES IN RUSSIA" IN MOSCOW



15.07: "ELECTRONIC INSURANCE IN RUSSIA"



22.09: REAL ESTATE DAY



28.09: SWISS EURORECEPTION



06.10: "THE FUTURE OF ARBITRATION IN RUSSIA: ARBITRATION REFORM AND THE CREATION OF THE AEB ARBITRATION COURT"



25.10: BRIEFING BY SERGEY LAVROV, Minister of Foreign Affairs of the Russian Federation



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



08.11: "TECHNICAL REGULATION AND CONFORMITY ASSESSMENT IN THE EAEU AND THE EU PROSPECTS FOR APPROXIMATION"



09.11: MEETING WITH VALENTIN GAPANOVICH

Senior Vice-President Russian Railways (RZD)



10.11: AUSTRIAN EURORECEPTION



15.11: BRIEFING BY LEV KUZNETSOV, Minister of North Caucasus Affairs of the Russian Federation



22.11: SPONSORS DINNER



01.12: "SUSTAINABLE OFFICE – COMFORT & ENERGY EFFICIENCY"



06.12: "ENGINEERING & PROJECT MANAGEMENT RISKS MITIGATION"



07.12: MEETING WITH ANDREY DANILENKO, Ombudsman for Protection of the Entrepreneurs' Rights in Trade



08.12: "SOCIAL INVESTMENTS OF BUSINESS INVESTMENTS INTO THE HUMAN CAPITAL" IN KRASNODAR



20.12: PENSION SYSTEM: LOOKING INTO THE FUTURE

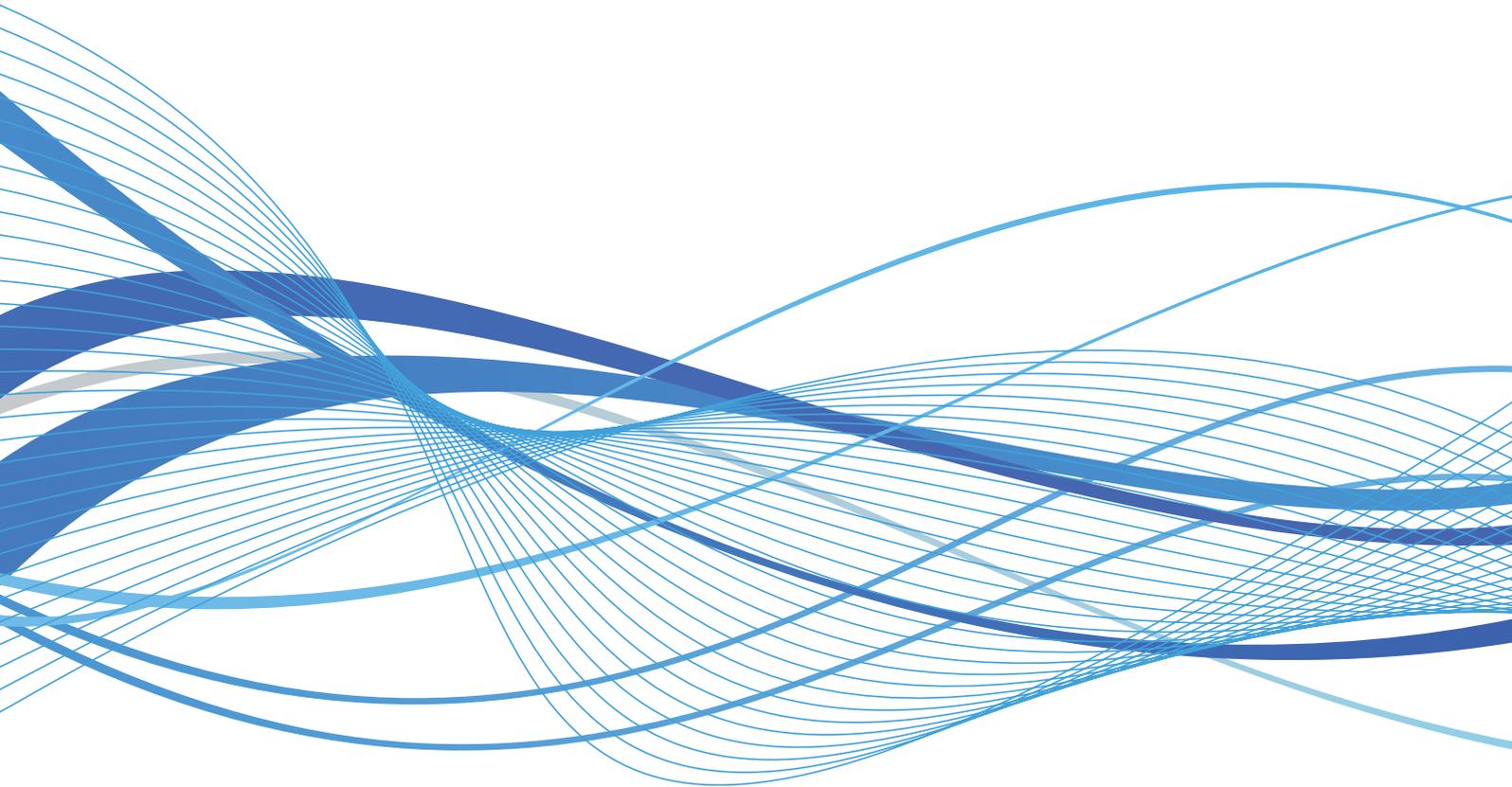


21.12: "RESULTS 2016 FOR INTERNATIONAL SEED AND CROP PROTECTION COMPANIES: MODERN TECHNOLOGIES INCREASING PRODUCTIVITY OF THE RUSSIAN AGRICULTURE"



Committee Reports

2016



AGRIBUSINESS COMMITTEE

AIMS	To promote the interests of AEB member companies in the agribusiness sector through governmental liaison and lobbying activities	
CHAIRPERSON	Dirk Seelig , Sales Director, Deputy General Director, CLAAS Vostok	
AEB MEMBER COMPANIES	CLAAS, CNHI Russia, John Deere Rus.	
NUMBER OF COMMITTEE MEETINGS	3	
AEB OPEN EVENTS ORGANISED (participation in open sessions was exclusively upon invitation)	AEB events	Event date
	Meeting with VDMA	6 June 2016
	Meeting with Rosagromash	11 July 2016
	AEB external events	
	Seminar on technical regulation, Minsk	8 July 2016
	Meeting with VDMA	5 October 2016
	Meeting with Igor Artemiev, Head of the FAS	1 November 2016
	Meeting with the FAS on Decree 719	10 November 2016
	Meeting with the FAS on amendments to Decree 719	22 December 2016

COMMITTEE ACTIVITIES, 2016

The AEB Agribusiness Committee has been actively lobbying on important issues such as Decree 719 (on identifying the criteria for "Made in Russia" production), Decree 740 (consumer characteristics and efficiency of agricultural machinery) and Decree 81 (disposal fee). A number of letters have been written to address these issues – namely, to the Ministry of Industry and Trade, the Federal Antimonopoly Service, Government Apparatus, Ministry of Agriculture.

As a result, the Working Group on amendments to Decree 719 was established within the Federal Antimonopoly Service with the inclusion of AEB Agribusiness Committee experts.

Another important issue that was successfully lobbied on by the Committee was Technical Regulation 031/2012 for agricultural tractors – explicit proposals on amendments to it were submitted and a number of meetings with the Eurasian Economic Commission and the Belorussian Institute for certification and standardisation were held throughout the year. The amendments proposed by the Committee technical experts were accepted by the Eurasian Economic Commission Council on 30 November 2016.

A successful meeting with Rosagromash (Association of Russian Agricultural Manufacturers) was held in July 2016 in order to discuss the positions of European and Russian producers on technical regulations and other issues. The Agribusiness Committee will join its efforts with the AEB Construction Equipment Committee to improve the procedure for obtaining the electronic passport for self-propelled machines.

AIRLINE COMMITTEE

AIM	To represent and lobby the interests of international airline companies in Russia
CHAIRPERSON	Guillaume Glass , General Manager, Air France
AEB MEMBER COMPANIES	Air France; Alitalia; Austrian Airlines; Brussels Airlines; Delta; KLM Royal Dutch Airlines; Lufthansa; SAS; Swiss International AirLines.
NUMBER OF COMMITTEE MEETINGS	2

COMMITTEE ACTIVITIES, 2016

In 2016, the AEB Airline Committee was actively engaged in lobbying for equal airport charges for European airlines in line with the airport charges paid by Russian airlines. For this purpose, on 1 November 2016, the AEB met Igor Artemiev, Head of the Federal Antimonopoly Service, in order to discuss this issue and the FAS established the Working Group on airlines within its structure to work on this issue in close collaboration with the Ministry of Transport of the Russian Federation.

AUTOMOBILE MANUFACTURERS COMMITTEE

<p>AIMS</p>	<ul style="list-style-type: none"> • To unite and represent the common interests of its members – automobile importers/manufacturers which operate in the Russian Federation • To create conditions for the development of a civilized automotive market; set and observe common and fair business rules for automotive companies officially operating in Russia and leverage inter-company co-operation and constructive partnership • The AMC concentrates on the most important and urgent issues related to the automotive business which affect its members, developing appropriate responses, lobbying to ensure that member interests are represented and dealing with the Russian governmental authorities, public institutions, local and international automotive associations and the mass media 	
<p>CHAIRPERSON</p>	<p>Joerg Schreiber, President and Managing Director, Mazda Motor Rus</p>	
<p>AEB MEMBER COMPANIES</p>	<p>JSC AVTOVAZ; BMW Russland Trading; Chery Automobile Rus; FCA Russia; Ford Sollers Holding; GAZ Group; General Motors CIS; Honda Motor Rus; Honda R&D Europe (UK) Ltd.; Hyundai Motor CIS; Jaguar Land Rover; Kia Motors Rus; Mazda Motor Rus; Mercedes-Benz Russia; Mercury Auto (Ferrari/Maserati); MMC Rus; Mitsubishi Motors Rus; Nissan Manufacturing Rus; Peugeot Citroën Rus; Porsche Russland; Renault Russia; Sollers; Subaru Motor; Suzuki Motor Rus; Toyota Motor; Volkswagen Group Rus (Audi/Bentley/Lamborghini/Škoda/Volkswagen/Volkswagen NFZ); Volvo Cars.</p>	
<p>NUMBER OF COMMITTEE MEETINGS</p>	<p>20</p>	
<p>AEB OPEN EVENTS ORGANISED (participation in open sessions was exclusively on invitations)</p>	<p>AEB events</p>	<p>Event date</p>
	<p>AMC Annual Press Conference: Review 2015</p>	<p>14 January 2016</p>
	<p>AEB external events</p>	
	<p>UN EEC 29th Working Group meetings – AEB AMC permanent participation at the work of the Working group on the UN rules related to vehicles equipped with the emergency response systems</p>	<p>Quarterly</p>
	<p>Meeting at the Eurasian Economic Commission regarding the introduction of electronic passports for vehicles (EPTS) – AMC and CVC representatives are official members of the EEC Working Group</p>	<p>Monthly</p>
	<p>ROAD press-conference</p>	<p>28 February 2016</p>
<p>85th Geneva International Motor Show, OICA Exhibition Committee meeting, and others</p>	<p>1–3 March 2016</p>	

<p style="text-align: center;">AEB OPEN EVENTS ORGANISED</p> <p>(participation in open sessions was exclusively on invitations)</p>	19th Annual International Russian Automotive Forum	15–17 March 2016
	ASM Holding Conference: Commercial transport 2016	23 March 2016
	RSPB Commission on Automotive and Agricultural machine-building	31 March 2016
	Convention of the Russian Automobile Dealers Association	12 April 2016
	10th Navigation Forum: Navitech	10 May 2016
	Annual meeting with the ACEA (Brussels, Belgium)	20 June 2016
	MIAS 2016 opening ceremony	25 August 2016
	Conference: Autoevolution 2016, Kaluga	14 October 2016
	Conference: Rosavtodealer	20 October 2016
	OICA General assembly meeting	19–21 October 2016
	FAS Expert Council meeting for Developing Competition in Machine Building	15 November 2016
94th International Scientific-Technical Conference of the Association of Automobile Engineers: Technical Regulations of Automotive Vehicles	7 December 2016	

COMMITTEE ACTIVITIES, 2016

The year 2016 was the 19th year of AMC operations within the AEB.

For the 10th year the Committee continued to operate an online sales data exchange system for its members, which remained almost the only up-to-date and reliable source of passenger cars (PC) and light commercial vehicle (LCV) sales statistics in Russia. Following a well-established tradition, the results of 2015 and forecast for 2016 were made available to the media at the annual AMC press conference which also provided the press with an opportunity to talk to heads of automobile companies about important issues related to the automotive industry.

One of the key issues of AMC members throughout the year continued to be the practical implementation of the provisions of the Code of Conduct (CoC) developed and adopted by the AMC in cooperation with the Federal Antimonopoly Service and the Ministry of Industry and Trade. By the end of 2016 twenty (20) members had joined the Code of

Conduct. Based on the results of the analysis of the implementation of the Code of Conduct conducted and discussed by both the FAS and AEB, the members developed and made public Recommendations on the Code of Conduct implementation. The work continued. AMC members and the ROAD (Russian Dealers Association) met and discussed problems at the FAS Expert Council where it was resolved to set up a working group to boost cooperation among businesses working in the automotive market. The Working Group will start operating in 2017.

The AMC continued to try to promote its proposals on amendments to the Consumer Protection Law (CPL) in order to eliminate the risks to manufacturers/distributors and CoC members arising after the full implementation of the Code of Conduct.

Technical Regulations of the Customs Union, TR CU 018/2011, "On the Safety of Wheeled Vehicles" which entered into force on 01.01.2015 remained on the Agenda of the Committee throughout the year 2016. The importation and production of vehicles not equipped with the emergency call system/device but still holding a valid OTTS (vehicle type approval) was the key issue requiring immediate solution.

The new procedure for processing the OTTS recently established by Rosstandart needs to be reorganised. Taking into account the large number of issues to be addressed to the certification bodies as well as to Rosstandart, the Certification/Homologation Group of the AMC initiated round table discussions with the involved parties which will begin in January 2017.

The introduction of digital passports for wheeled vehicles deserved the special attention of the Committee, which is a member of the dedicated Working Group operating at the Eurasian Economic Commission. This will be the highest priority of the agenda in 2017.

Throughout the year the Committee representatives participated in other important events where they spoke on behalf of the AMC, such as the Russian Automotive Forum organised by Adam Smith conferences, Rosavtodealer-2016, the 94rd International Scientific-Technical Conference of the Association of Automobile Engineers: "Technical Regulations of Automotive Vehicles", and others.

The other main issues on the AMC agenda in 2016 were:

- EAC labeling of spare parts.
- Development of the 2025 automotive strategy. Members participated in all discussions held by Minprom and NAMI.
- Luxury tax rate.

Throughout the year the AMC published monthly press-releases on car sales statistics that are widely used by the automotive and business media across Russia and abroad. The press coverage of issues addressed by the AMC and its work in general further increased in 2016.

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

The Committee continued to strengthen cooperation with national and international automotive associations: the ACEA (European Automobile Manufacturers Association), OAR (Association of Russian Automakers), OICA (International Organisation of Motor Vehicle Manufacturers), ROAD, VDA (German Association of the Automotive Industry), and the local authorities and industry officials.

AUTOMOTIVE COMPONENTS COMMITTEE

AIMS	To unite and lobby for the joint interests of the AEB members in the automotive supplier sector, facilitate meetings with officials, industrial associations and Original Equipment Manufacturers (OEMs), support networking and the exchange of contacts within the industry and help companies establish working contacts with car plants	
CHAIRPERSON	Andrey Kossov , Commercial Manager Russia, Johnson Matthey	
DEPUTY CHAIRPERSON	Evgeny Evdonin , Sales Director, Robert Bosch	
AEB MEMBER COMPANIES	Atlas Copco; BASF; Benteler; Cesar Satellite; Continental Automotive Systems Rus; Delphi Samara; Deloitte; DLA Piper; Dow Corning; DSM Group; DuPont Science and Technologies; EY; GAZ Group; Gestamp Russia; GKN Automotive International GmbH; Henkel; Johnson Controls Autobatterie GmbH; Johnson Matthey; KPMG; PwC; PPG Industries; Robert Bosch; Russian Automotive Components Limited; Sandvik; Solvay S.A.; TMD Friction Nisshinbo Group; Volvo Group.	
NUMBER OF COMMITTEE MEETINGS	5	
AEB OPEN EVENTS ORGANISED (participation in open sessions was exclusively on invitations)	AEB external events	Event date
	II International Automotive Forum: TIAF 2016 supported by Automechanika, in Kazan	3–5 February 2016
	International Moscow Automotive Forum IMAF 2016, in Moscow	23 August 2016

COMMITTEE ACTIVITIES, 2016

The Committee's key functions remain unchanged and include the determination of the common problems and goals for the Committee member companies, based on which the priorities for the ongoing work of the Committee are formulated. Obtaining state support for foreign investors also remains an important issue; gaining full access to the existing instruments for supporting and developing the automotive parts sector: the further development of the localisation of automotive parts, coordinated work aimed at developing the localisation of automobiles, together with the Automobile Manufacturers Committee; the application of competitive, efficient, and environmentally safe technologies and know-how; participation in the formation of the Automotive Strategy 2025; export potential and support for automotive parts producers; the protection of intellectual property; coverage in the legislative and economic areas, trade fairs, and other areas related to the work of the Committee members.

The Committee participated in the following important events:

19th Russian Automotive Forum, organised by Adam Smith Conferences	15-17 March 2016
Annual meeting with the ACEA (Brussels, Belgium)	20 June 2016
Automechanika Frankfurt 2016	13-17 September 2016

BANKING COMMITTEE

<p>AIMS</p>	<p>The Banking Committee brings together representatives of international banks and other financial institutions and combines their efforts in order to effectively represent their interests in the Russian market and promote a favourable climate for the operation of international banks in Russia. The Committee aims to:</p> <ul style="list-style-type: none"> • provide a level playing field between local and foreign operators; • provide direct technical policy advice to European and Russian government officials.
<p>CHAIRPERSON</p>	<p>Annett Viehweg, Chairperson of the Board, Deutsche Bank Ltd.</p>
<p>DEPUTY CHAIRPERSON</p>	<p>Stuart Lawson, Executive Director, EY</p>
<p>AEB MEMBER COMPANIES</p>	<p>American Express Bank; Banca Intesa; Bank Credit Suisse (Moscow); BMW Bank OOO; BNP Paribas; Center-invest Bank; Citibank AO; Commerzbank (Eurasija) AO; Credit Agricole CIB AO; Danske Bank Russia; DEG Representative Office Russian Federation; Deutsche Bank Ltd.; European Bank for Reconstruction and Development (EBRD); HELLENIC BANK PLC; HSBC Bank (RR) OOO; ING Wholesale Banking in Russia; KfW IPEX-Bank Representative Office; Mercedes-Benz Financial Services Rus OOO/ Mercedes-Benz Bank Rus OOO/Mercedes-Benz Capital Rus OO; Natixis Bank JSC; Nordea Bank; OTP Bank JSC; Raiffeisenbank AO; Rosbank; UBS Bank, OOO; UniCredit Bank AO; VISA.</p>
<p>NUMBER OF COMMITTEE MEETINGS</p>	<p>Committee meetings – 11 Meetings of CEO-level representatives of AEB member banks (with foreign capital) – 7</p>

COMMITTEE ACTIVITIES, 2016

In 2016, the Committee continued its cooperation with its key partners, namely:

- The Committee continued to collaborate with the regulator – the Central Bank of the Russian Federation: on 22 April the Committee held a meeting with representatives of the Central Bank regarding the localisation of databases and the implementation of CBR Regulation 397-P; on 13 October the Committee held a meeting with representatives of the Banking Regulation Department of the Central Bank to discuss issues related to the implementation of CBR Instruction 154-I on remuneration rules. Also, the Committee sent a number of letters with comments on how to improve banking regulation and requests for clarifications to the Central Bank.
- The Committee collaborated with the Ministry of Finance, the Ministry of Economic Development and the Ministry of Justice and sent comments and requests on issues related to banking regulation.
- The Committee communicated with the State Duma, in particular with the Financial Market Committee and the State Building and Law Committee.
- The Committee continued to cooperate with the European Commission, namely with Jonathan Hill, the Commissioner for Financial Stability, the Financial Services and Capital Markets Union and the European Commission regarding the registration of the National Clearing Centre (NCC) at the European Securities and Markets Authority (ESMA).

In 2016, the Committee worked in the following key areas: legal issues and the localisation of databases; anti-money laundering (AML) and compliance; HR issues. Furthermore, the group of CEO level representatives of the Committee's member banks held regular meetings to discuss developments and activities in the banking industry, including a dinner with the European Union Ambassador to the Russian Federation Vygaudas Ušackas.

In addition, the Committee chairperson, Committee members and coordinator participated in a number of meetings held by the Working Group on Financial Institutions and Capital Markets of the Foreign Investments Advisory Council (FIAC) and continued to collaborate with it.

COMMERCIAL VEHICLES PRODUCERS COMMITTEE

AIMS	To support the joint interests of its Committee members and increase the power and influence its members as a whole to a level greater than that of individual members, lobby for involvement in all decision-making processes affecting the commercial vehicles industry, promote free trade and the creation of a fair and reliable business environment, contribute to the prosperous and sustainable growth of the Russian economy	
CHAIRPERSON	Andrey Chursin , CEO, Scania Service	
AEB MEMBER COMPANIES	Chrysler Russia; DAIMLER KAMAZ RUS; Ford Motor Company; Iveco Russia; Isuzu Rus; GAZ Group; MAN Truck & Bus RUS; Mercedes-Benz Rus; Nissan Motor Rus; Peugeot Citroen Rus; Renault Russia; Scania Rus; Sollers; Volkswagen Group Rus; Volvo Vostok.	
NUMBER OF COMMITTEE MEETINGS	5	
AEB OPEN EVENTS ORGANISED (participation in open sessions was exclusively on invitations)	AEB external events	Event date
	II International Automotive Forum: TIAF 2016 supported by Automechanika in Kazan	3–5 February 2016
	International Moscow Automotive Forum IMAF 2016 in Moscow	23 August 2016

COMMITTEE ACTIVITIES, 2016

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

The main issues discussed in the Committee in 2016:

Automotive strategy 2025

On 18 January 2016, the President of the Russian Federation presented the government the task of creating a strategy for the development of the automotive industry and automotive components production until 2025. Work in this area was carried out in the spring and summer of 2016, but the AEB member companies were not involved on a regular basis. The Committee made every effort to make the efficient market (real competition, transparent and predictable “rules of the game”) as one of the criteria for the successful implementation of the strategy.

Determination of the country of origin

On 14 July 2014, Resolution No. 656 of the Government of the Russian Federation was adopted, which determines the criteria for access to public procurement for commercial vehicles. Another Resolution, No. 513, dated 9 June 2016, significantly tightened these criteria, which further restricted competition during public procurement. At the same time, informal and unpredictable restrictions also appeared regarding procurement by companies which act in compliance with Federal Law No. 223-FL, dated 18 July 2011.

Mandatory equipment with emergency call devices

The Technical Regulation of the Customs Union "On the safety of wheeled vehicles" introduced the requirement of mandatory equipping of buses and trucks carrying dangerous goods with emergency call devices from 2016, and of all vehicle types from 2017.

Electronic passport

On 1 July 2017, the electronic passport will be introduced for all vehicle types. The Committee is taking active part in the working group in the EEC regarding the implementation of the ELPTS in the Eurasian Economic Union.

The Committee participated in the following industry events:

19th Russian Automotive Forum, organised by Adam Smith Conferences	15–17 March
7th conference on the Russian trucks and passenger vehicles market: Commercial vehicles 2016, held by ACM Holding	23 March
X International Navigation Forum	12 May
Annual meeting with the ACEA (Brussels, Belgium)	20 June
Automechanika Frankfurt 2016	13–17 September
AvtoEvolution 2016 in Kaluga	14 October
OICA General Assembly	20 October
Busworld Russia, powered by Autotrans	25–27 October

COMPLIANCE & ETHICS COMMITTEE

<p>AIMS</p>	<ul style="list-style-type: none"> • To serve as a place where AEB members and various external stakeholders (including state bodies) can share and promote their best practices via informational briefings, seminars, reports, and regular compliance case updates • The key goals are to assist AEB members i) to comply with their obligations under international and local compliance requirements; ii) to facilitate, promote, monitor and aim to secure the implementation of the best compliance programmes and policies, iii) to foster an international understanding of the applicable laws, including but not limited to laws addressing corruption, bribery, trade controls, and fair competition. Areas of interest include business ethics, regulatory issues, internal controls, governance and risk assessment, and mitigation.
<p>CHAIRPERSONS</p>	<p>Anton Subbot, Partner, Baker & McKenzie – CIS Limited (from November 2016) Ilsur Akhmetshin, Country Integrity Officer, ABB Russia (till September 2016)</p>
<p>AEB MEMBER COMPANIES</p>	<p>ABB Russia; Accountor Russia; AIG Insurance Company, CJSC; Air France; Akzo Nobel N.V.; Allianz IC OJSC; ALD Automative LLC; ALRUD Law Firm; Alstom Russia Ltd.; Antal Russia; Astra Zeneca Pharmaceuticals LLC; Atos; Baker & McKenzie CIS Ltd.; Bauke van der Meer Tax and Legal Services (CIS) B.V.; BECO; BEITEN BURKHARDT Moscow; Boehringer Ingelheim; Capital Legal Services LLC; CARDIF Insurance company; Caterpillar Eurasia LLC; Centerinvest Bank; Continental Tires RUS OOO; Coleman Services UK; Control Risks; Credit Agricole CIB LLC; Creditreform RUS LLC; CRH; DE Berti Jacchia Franchini Forlani; DE Lage Landen Leasing; DELCREDA; Deloitte; Dentons; DLA Piper; DHL Express; Drees & Sommer Project Management and Building Technologies; ECOTEAM LLC; Egorov, Puginsky, Afanasiev & Partners; EY; Ford Sollers Holding LLC; General Motors Russia & CIS LLC; HSBC Bank OOO; John Deere Rus LLC; IKEA Centers Russia; KPMG; L’Occitane Rus; Lamberti Rus; LANXESS LLC; Legrand Group; L’Oreal; Mannheimer Swartling; M.Video; Man Truck & Bus RUS LLC; Mercedes-Benz Financial Services Rus OOO; MetLife JSC; Natixis Bank JSC; Noerr OOO; Nokia Networks; Norton Rose Fulbright (Central Europe) LLP; Novartis Group; Novo Nordisk A/S; Oriflame; Pepeliaev Group, LLC; Philips LLC; Philip Morris International Affiliates; Porsche Russland; PSA Peugeot Citroen; PwC; Raiffeisen Leasing; Repsol Exploration S.A.; RH PARTNERS; Risk Advisory Group Plc.; Rockwool; Robert Bosch OOO; Roedl & Partner; Scania-Rus LLC; Schneider Electric; Shell Exploration and Production Services (RF) B.V.; Siemens LLC; SOCIETE GENERALE Strakhovanie Zhizni LLC; Sollers PJSC; Syngenta LLC; Thomson Reuters; Tinkoff Online Insurance, JSC; Total E&P Russia; Troika Relocations Ltd.; United Technologies International Operations, Inc; Vaillant Group Rus LLC; Whirlpool RUS; Zetta Insurance Company Ltd.; Zurich Reliable Insurance, JSC.</p>
<p>NUMBER OF COMMITTEE MEETINGS</p>	<p>6</p>

AEB OPEN EVENTS ORGANISED (participation in open sessions was exclusively on invitations)	AEB events	Event date
	Round Table discussion: Compliance and HR: Cross-functional collaboration in a company	29 March 2016
	AEB external events	
	Session: Role of industry and professional associations in ensuring an equitable business environment, at V Annual International Compliance Association (ICA) Conference: Compliance: Optimisation and Effectiveness.	18 February 2016

COMMITTEE ACTIVITIES, 2016

On 18 February 2016, Ilsur Akhmetshin, the Acting Chairman of the AEB Compliance & Ethics Committee, Country Integrity Officer, ABB Russia, took part in the V Annual International Compliance Association (ICA) Conference: Compliance: Optimisation and effectiveness. In 2016, the AEB was an informational partner of the conference. The aim of conference was to discuss the unification of approaches taken by international organisations and government agencies with compliance regulation and supervision, and to assess liability subject to the presence or absence of compliance management systems. In his address Mr. Akhmetshin presented the AEB Compliance & Ethics Committee, its goals, work and plans.

On 29 March 2016, the AEB Compliance & Ethics and HR Committees held the joint event: Compliance and HR: Cross-functional collaboration in a company. The aim of the event was to discuss ways and methods to achieve cross-functional collaboration between HR and Compliance functions in a company and to exchange best practices. It was co-moderated by Ilsur Akhmetshin, the Acting Chairman of the AEB Compliance & Ethics Committee, Country Integrity Officer, ABB Russia, and Michael Germershausen, Chairman of the AEB HR Committee, General Manager, Antal Russia.

On 24 November 2016, the AEB Compliance & Ethics Committee met with Artem Tsirin, Head of the anti-corruption legal issues division, Institute of Legislation and Comparative Law under the RF Government, to discuss enforcement practices and the latest legislative initiatives related to the Article 19.28 of the Code of Administrative Offence.

CONSTRUCTION EQUIPMENT COMMITTEE

AIMS	The AEB Construction Equipment Committee serves as a platform for foreign manufacturers of construction equipment to discuss common issues and opportunities, and acts, where appropriate, as a representative of its member companies on common industry concerns. The Committee works to promote safety, good business practice and sustainability.
CHAIRPERSON	Andrey Komov , Managing Director, Volvo Construction Equipment Russia & CIS, Volvo Vostok
AEB MEMBER COMPANIES	Atlas Copco; Caterpillar Eurasia; CNH Industrial (Russia) Commercial Operations; Doosan Infracore Co.; Hitachi Construction Machinery Eurasia Sales; Hyundai Heavy Industries; JCB; John Deere Agricultural Holdings; Komatsu CIS; Liebherr-Russland; Volvo Vostok.
NUMBER OF COMMITTEE MEETINGS	12

COMMITTEE ACTIVITIES, 2016

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

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

The main issues discussed by the Committee in 2016:

1. Disposal Fee

Being environmentally responsible companies, AEB members and manufacturers of construction equipment are aware of their responsibility for collecting and processing goods that have lost their consumer properties. The Committee members are not against the disposal fee but consider that Government Decree No. 81 "On the utilization fee in respect of self-propelled machines and (or) trailers" was introduced with high disproportions (e.g. the fee for articulated and dump trucks is from 2.5 million roubles per machine).

A meeting with the Ministry of Industry and Trade was held on 10 May 2016, as a result of which the Committee sent a letter with proposals for amendments to this resolution.

2. Localisation

The Committee worked with the Ministry of Industry and Trade of the Russian Federation to amend Decree No. 719 "On the approval of the criteria for classifying industrial products as products which have no analogues produced in the territory of the Russian Federation, as well as the criteria for classifying industrial products production to products produced in the territory of the Russian Federation". Work will continue to allow optimal localisation levels in business operations,

which are subject to the efficiency of capital investment and market conditions. In these regards, a working group within the Federal Antimonopoly Service was created to analyse Decree No. 719.

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

The Committee participated in the following industry events:

Bauma, Munich:	11–17 April
CTT powered by Bauma, Moscow:	31 May–4 June
CECE Congress, Prague:	5–7 October

CONSTRUCTION INDUSTRY & BUILDING MATERIAL SUPPLIERS COMMITTEE

AIMS	<ul style="list-style-type: none"> • Platform for communication between Committee members • Representation of European companies for construction and building material suppliers in Russia (private, governmental and non-governmental organisations) • Communication within and outside the Committee on general and specific questions
CHAIRPERSON	Vitaly Bogachenko , Corporate Affairs Director, SAINT-GOBAIN CIS
DEPUTY CHAIRPERSON	Nikolay Troitsky , General Director, Wienerberger
AEB MEMBER COMPANIES	Ariston Thermo Rus; ARKEMA SA; BASF; Bayer ZAO; Bekaert N.V.; CRH; DuPont Science and Technologies; Ericsson; Freudenberg Performance Materials Group; HeidelbergCement Rus; Knauf Group CIS; OOO Knauf Gips; Legrand Group; Lindab Buildings LLC; LINDNER; Rautaruukki OYJ; ROCA; Rockwool; Saint-Gobain CIS; Siemens LLC; Wienerberger Kirpitsch LLC; YIT Construction.
NUMBER OF COMMITTEE MEETINGS	Committee Meetings – 6 Heating Systems Working Group meetings – 4

COMMITTEE ACTIVITIES, 2016

The AEB Construction Industry & Building Material Suppliers Committee represents within the AEB a variety of businesses with very heterogeneous industrial and commercial backgrounds and a diverse set of interests, but with construction materials as a common bond. The Committee was born in 2010 in the belief that there are many issues that need to be monitored and made aware of, and initially they were mostly related to producers of building materials.

In 2016 the Committee focused on building a common position on the following issues:

- technical standards and regulations;
- environmental sustainability and green standards;
- technical control and guarantees in construction;
- energy efficiency in construction;
- product certification and counterfeit products;
- transparency and reliability of information referring to construction materials;
- vocational education and training centers;
- "best available technique" guides (BREFs);
- criteria for classifying objects that have a negative impact on the environment;
- gas supply in Russia;
- guarantees in construction.

On 22 September 2016, Vitaly Bogachenko, Chairman of the Committee, participated in the AEB Real Estate Day Annual Conference, where he spoke at a session: Distributing the wealth: are the Russian regions ready to catch up?

In October 2016, Vitaly Bogachenko participated in a roundtable discussion entitled Smart City at the International Investment Forum in Sochi.

In 2016, Committee members discussed on multiple occasions the issue of guarantees in construction with the participation of insurance and construction companies.

The Committee members strongly believe that a dialogue between experts with different backgrounds and government officials could bring benefits to the Russian construction sector.

In 2016, Heating Systems Manufacturers, the working group of the Committee continued to conduct its sales statistics.

CROP PROTECTION COMMITTEE (CPC)

AIMS	To establish a consolidated position on key issues affecting the industry and to lobby for the CPC interests via communication with the Russian government authorities, public institutions and business associations
CHAIRPERSON	Alexander Berkovskiy , Head CIS, Syngenta
DEPUTY CHAIRPERSON	Yves Picquet , Head of Bayer N-CIS
AEB MEMBER COMPANIES	ADAMA; BASF; Bayer; Dow AgroSciences; DuPont Science and Technologies; Syngenta.
NUMBER OF COMMITTEE MEETINGS	6

COMMITTEE ACTIVITIES, 2016

A significant positive result of the CPC lobbying activities together with the Russian Union of CPP Manufacturers was the amendments made to Sanitary Regulations and Standards 1.2.2584-10 "Hygienic safety requirements for the trial, storage, transportation, sale, use, disposal and recycling of pesticides and agrochemicals" in order to harmonise the provisions of Section XX "Safety requirements for the disinfection of vehicles, equipment, containers, premises and working clothes" with international principles and standards. In the amended version registered by the Ministry of Justice on 1 June 2016, the contradictions regarding the CPP container management international standards were excluded.

The next logical step for the development of the Container Management Scheme was the establishment of the company ECOPOLE by the AEB and the Russian Union of CPP Manufacturers in June. This company focuses on organising the collection and utilisation scheme for all interested parties and controlling compliance with safety requirements.

One of the key events of the year was the press conference "Results of 2016 agricultural year for seed and CPP producing companies: modern technologies for increasing the productivity of the Russian agriculture" (together with the Seed Committee). It was focused on presenting new technologies and investment projects, and supporting new technologies and products that companies provide for their customers - Russian farmers (training and information programmes, field days, agricultural technology days, and others). The press conference clearly demonstrated the significant contribution made by international companies - the CPP and seed producers - to Russian agriculture.

CUSTOMS & TRANSPORT COMMITTEE

AIMS	<ul style="list-style-type: none"> • To lobby for member companies through dialogue with the Federal Customs Service and other governmental bodies of the Russian Federation and to promote the application of industry standards in accordance with the best international business practices and trade facilitation principles • To provide AEB members with quality information on developments in customs regulations and facilitate focused business networking 	
CHAIRPERSON	Dmitry Cheltsov , General Delegate, IRU Permanent Delegation to Eurasia	
DEPUTY CHAIRPERSONS	Wilhelmina Shavshina , Legal and Business Development Director, Head of International Trade Practice, DLA Piper; Sergey Gusev , Customs Manager, Electrolux	
AEB MEMBER COMPANIES	Arivist; Arkema; Atlas Copco; BLG Logistics Solutions; BAT; Bayer; Bonduelle; BSH Bytowyje Pribory; Cargill; CMS; Delphi Samara JV; Deloitte; DHL Express; DHL Global Forwarding; DLA Piper; DPD in Russia; DuPont; EY; Electrolux; GOLTSBLAT BLP; Groupe SEB Vostok; FordSollers; Ferrero; FM Logistic; Harley Davidson; IKEA; IRU; Itella; Jaguar Land Rover; JURALINK; JTI; Knauf International; KPMG; Lamberti; Leroy Merlin; MAN; LIEBHERR-RUSSLAND; Michelin; Nestle; Nike; OBI; Pepeliaev Group; PwC; Parkline Logistics; PSA Group; Philips; Philip Morris; Profile-Euro; Renault Russia; Roca; Saint-Gobain; Scania; Schneider Electric; Shell; Siemens; TNT; Toyota; TABLOGIX; VOLKSWAGEN Group Rus; UPS; Zentis.	
NUMBER OF COMMITTEE MEETINGS	7	
AEB OPEN EVENTS ORGANISED (participation in open sessions was exclusively on invitations)	AEB events	Event date
	Conference: New in customs legislation: practice and procedure	10 March 2016
	Joint roundtable meeting with JETRO (Japan External Trade Organisation)	15 November 2016
	AEB external events	
	AEB-EEC joint mission to Italy	21–24 June 2016

COMMITTEE ACTIVITIES, 2016

The Customs & Transport Committee and its members have been working to identify challenges in the application of customs laws throughout its entire existence. Currently intensive work is in progress identify gaps and discrepancies at the Eurasian Economic Union (EAEU) level of legislation and at the level of national regulatory acts enacted to develop provisions and institutions within the EAEU Customs Code. Work is also in progress to improve previously enacted customs legislation regulations in relation to regulatory impact assessment.

The purpose of the Committee's work is not only to identify gaps and discrepancies in legislation but also to jointly develop recommendations on their elimination with experts from the business community, which are mainly aimed at improving regulatory documents.

The Committee acts as an intermediary in constructive dialogue between the regulatory bodies and the business community on customs and transport issues in order to increase the effectiveness of government control in the aforementioned areas and to improve the business environment.

In April and November 2016 the Committee organised two meetings with the Minister for Customs Cooperation of the Eurasian Economic Commission Mukay Kadurkulov to discuss the most important issues relating to customs administration and the outcomes of the joint AEB-EEC mission to Italy. In June 2016 an AEB/EEC delegation met with representatives of the Italian Customs Agency and the customs authorities of the Emilia - Romagna and Liguria regions. The participants learnt about the "fast corridor" customs clearance procedure in the port of Genoa and the simplifications for authorised economic operators also in the context of the new EC Customs Code adopted in May 2016.

ENERGY COMMITTEE

AIMS	<ul style="list-style-type: none"> • To support EU-RF cooperation in the energy sector, in particular through the activities undertaken by the EU-RF Energy Dialogue and the EU-RF Industrialists' Roundtable • To provide a forum for AEB companies involved in the Russian energy sector to discuss and address matters of common interest • To maintain relations with the parties directly involved in the Russian energy sector 	
CHAIRPERSON	Igor Ignatiev , Deputy Country Chair of Shell in Russia, Shell Exploration & Production Services (RF) B.V.	
DEPUTY CHAIRPERSON	Dmitry Ermilichev , Director for Public and Governmental Relations, Unipro	
AEB MEMBER COMPANIES	BP Russia; Chevron Neftegaz Inc.; Electricite de France; Enel Russia; Eni S.p.A; ENGIE; Fortum; Gasunie; MOL Plc; Repsol Exploracion S.A.; Statoil ASA Russia; Shell E&P Services (RF) B.V.; Total E&P Russie; Uniper Global Commodities SE; Unipro; VNG - Verbundnetz Gas AG; Wintershall Holding GmbH.	
NUMBER OF COMMITTEE MEETINGS	9 The CEOs also held their traditional breakfasts on 15.04.2016 (speaker E. Lapshin, MOL Plc); 26.10.2016 (speaker U. Fip, Uniper Global Commodities SE).	
AEB OPEN EVENTS ORGANISED (participation in open sessions was exclusively on invitations)	AEB events	Event date
	"Oil & Gas: What's Next?", by T. Mitrova, Head of Oil & Gas Department, Energy Research Institute, RAS	26 February 2016
	"When Should We Expect GDP Growth in Russia?", by D. Savchenko, Chief Economist for Russia, Nordea Bank	27 May 2016
	"Russian Fuel & Energy Complex under the Sanctions: New Agenda", by Konstantin Simonov, Director, National Energy Security Fund	29 June 2016
	"Forthcoming Changes in the Russian Tax System", by G. Vygon, Managing Director, Vygon Consulting	30 September 2016
	"Development of the Oil Industry, Technologies & the Role of Business, by A. Gromov, V. Feygin, Institute for Energy & Finances	28 October 2016

COMMITTEE ACTIVITIES, 2016

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

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

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

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

Committee members participated in several major events:

- | | |
|---|-----------|
| • Krasnoyarsk Economic Forum; | February |
| • RSPP Business week in Moscow; | March |
| • Moscow International Energy Forum "Russia Fuel & Energy Complex in XXI Century in XXI century"; | April |
| • The Saint-Petersburg International Economic Forum; | June |
| • Innoprom Industrial Exhibition and Forum in Ekaterinburg; | July |
| • International Investment Forum in Sochi; | September |
| • Eastern Economic Forum in Vladivostok; | September |
| • St-Petersburg International Gas Forum; | October |
| • FIAC annual plenary session chaired by PM Medvedev; | October |
| • VTB Investment Forum "Russia Calling" in Moscow; | October |
| • Open Innovations Forum in Moscow; | October |
| • International Forum on Energy Efficiency and Energy Saving (ENES) in Moscow; | November |

ENERGY EFFICIENCY COMMITTEE

AIMS	<ul style="list-style-type: none"> • To increase Energy Efficiency (EE) business opportunities for AEB members, thereby contributing to sustainable EE development in Russia • To formulate and promote the AEB position on EE in Russia • To inform and educate AEB members about EE developments in Russia 	
CHAIRPERSONS	Vincent de Rul , General Director, FENICE Rus (till August 2016) Bashir Chalabi , Account Manager, PBNHill+Knowlton	
AEB MEMBER COMPANIES	ABB; AERECO; Baker & McKenzie; BASF; Bayer; BP; BSH Group; CMS Russia; Deloitte; ECOTEAM; Electricite de France; ENGIE; EY (CIS) B.V.; FENICE Rus LLC; ESYLUX; Gasunie; IKEA; Legrand; Lindab Buildings LLC; Noerr; PBN Hill+Knowlton Strategies; Philips Lighting; Saint-Gobain; Schneider Electric; Siemens; Statoil ASA Russia; Total E&P Russie; Unipro; Vitus Bering Management Ltd.; Wintershall Holding GmbH.	
NUMBER OF COMMITTEE MEETINGS	9	
AEB OPEN EVENTS ORGANISED (participation in open sessions was exclusively on invitations)	AEB events	Event date
	Joint Round table with the AEB SHES Committee: Russian climate policy: developments and prospects	5 April 2016
	Round Table: Sustainable office – comfort & energy efficiency, held jointly with the AEB Real Estate Committee	1 December 2016

COMMITTEE ACTIVITIES, 2016

The Energy Efficiency Committee was established in 2009. It was very successful from the very beginning, with companies from the manufacturing, services and energy sectors signing up. Representatives of the Committee took part in drafting new legislation on energy efficiency (EE) and energy saving.

In 2016, the Energy Efficiency Committee positioned itself as an authoritative body to which AEB members can turn to get information on the general energy efficiency environment and business opportunities in Russia. The Committee's members participated in various EE seminars and conferences and were often asked to speak at these events.

During the year the Committee members kept each other informed about their work in EE. The Committee Position Paper was duly restructured and re-written with the focus on particularly important issues for the Committee such as responsibilities in energy efficiency, metering & tariffs, regulations communication and PR, and technology transfer.

Committee members participated in the International Forum on Energy Efficiency and Energy Saving which took place in Moscow in November 2016.

The Committee has working relations with the Russian Federation (RF) Ministry of Energy, RF Duma Committee for Energy, Russian Energy Agency, RSPP Committee for Energy Policy and Energy Efficiency, and U4E (Union of French Enterprises for Energy Efficiency and Ecology).

FINANCE & INVESTMENTS COMMITTEE

<p>AIMS</p>	<p>The mission of the Finance and Investments Committee is to assist in and contribute to the ongoing improvement of Russia's investment climate by integrating information and discussions related to critical finance issues of prime importance for foreign companies working in Russia. The Committee serves as a forum for discussion and lobbying, as well as a platform for the exchange of information and ideas concerning finance and investments issues.</p>	
<p>CHAIRPERSON</p>	<p>Stuart Lawson, Executive Director, EY</p>	
<p>AEB MEMBER COMPANIES</p>	<p>ABB; ALD Automotive LLC; ALPE consulting OOO; American Express Bank; American Institute of Business and Economics; Antal Russia; Arval; Baker Botts L.L.P.; BEITEN BURKHARDT Moscow; BNP Paribas; Caterpillar Eurasia LLC; Chadbourne & Parke LLP; Citibank AO; CMS Russia; Creditreform RUS LLC; De Lage Landen Leasing; Debevoise and Plimpton LLP; DEG Representative Office Russian Federation; Deloitte CIS; Dentons; DHL Express; Egorov Puginsky Afanasiev & Partners (EPAM); European Bank for Reconstruction and Development (EBRD); EY; FCA Russia AO; Gerald Sakuler (individual member); Hannes Snellman; HeidelbergCement Rus; HSBC Bank (RR) OOO; IBFS Europe GmbH; IKB Leasing AO; IKEA DOM LLC; ING Wholesale Banking in Russia; INVESTMENT COMPANY IC RUSS-INVEST; John Deere Rus LLC; Jungheinrich Lift Truck; KIAP, Attorneys at Law; Knauf Group CIS, OOO Knauf Gips; KPMG AO; LeasePlan Rus; LegaLife Law Firm; LEROY MERLIN Russia; MAI Insurance Brokers; MAN Truck & Bus RUS LLC; Mannheimer Swartling Ryssland Advokataktiebolag; Mazars; Mercedes-Benz Financial Services Rus OOO / Mercedes-Benz Bank Rus OOO / Mercedes-Benz Capital Rus OOO; Messe Frankfurt Rus Ltd.; Mitsubishi Corporation (Russia) LLC; MosFirst LLC; Most Service; Natixis Bank JSC; Noerr OOO; Norton Rose Fulbright (Central Europe) LLP; OTP Bank JSC; Pepeliaev Group, LLC; PSA Group (Peugeot Citroën Rus); PwC; Raiffeisen-Leasing; Raiffeisenbank AO; Repsol Exploracion S.A.; RH PARTNERS; Rödl & Partner; Rosbank; Rosbank Leasing; Scania-Rus LLC; Schneider Electric; SCHNEIDER GROUP; Solvay S.A.; Sponda Russia; TMF Group; UniCredit Bank AO; Vaillant Group Rus LLC; VEGAS LEX Advocate Bureau; Vinson & Elkins L.L.P.; VISA; Volvo Cars LLC; Volvo Vostok NAO; WELBI; YIT; ZURICH RELIABLE INSURANCE JSC.</p>	
<p>NUMBER OF COMMITTEE MEETINGS</p>	<p>Leasing Subcommittee meetings – 8</p>	
<p>AEB OPEN EVENTS ORGANISED (participation in open sessions was exclusively on invitations)</p>	<p>AEB events</p>	<p>Event date</p>
	<p>Presentation of the Investment Potential of Armenia (in cooperation with External Affairs)</p>	<p>23 March 2016</p>
	<p>Briefing by Alexey Komissarov, Director of the Industrial Development Fund</p>	<p>31 May 2016</p>

AEB OPEN EVENTS ORGANISED (participation in open sessions was exclusively on invitations)	Presentation of the results of the AEB annual survey: Strategies and prospects for European companies in Russia, in Moscow	14 June 2016
	Presentation of the results of the AEB annual survey: Strategies and prospects for European companies in Russia in Saint Petersburg (in cooperation with the North-Western Regional Committee)	15 June 2016
	Talks on the Russian Economy (in cooperation with External Affairs)	11 October 2016

COMMITTEE ACTIVITIES, 2016

One of the Committee's key projects in 2016 was the ninth annual survey: Strategies and prospects for European companies in Russia. The survey has become a highly valuable source of first-hand information that provides an overview of the investment potential and opportunities in Russia and highlights the key challenges faced by AEB member companies, and the strategies adopted while doing business in Russia. The results of the survey were announced on the eve of the St. Petersburg Economic Forum: the official presentation was held on 14 June 2016 in Moscow and on 15 June 2016 in St. Petersburg. The survey and its results were well cited in the media.

Among other important event was the briefing by Alexey Komissarov, Director of the Industrial Development Fund (31 May 2016). During the event Mr. Komissarov spoke about the Industrial Development Fund, its key areas of focus and measures of support, special investment contracts (SPICs) and their benefits, the status of "local producer", investor liability, differences in comparison to other state support programmes, adaptation of legislation, etc.

In addition to the Committee events, Stuart Lawson, Finance and Investments Committee Chairman, participated as a co-moderator in the briefing with Gabriel Di Bella, Resident Representative of the International Monetary Fund in the Russian Federation: Russia: from stabilisation to growth, held on 2 November 2016.

To cover leasing issues, within the Finance and Investments Committee there is the Leasing Subcommittee chaired by Sergey Ivanov, General Director, IKB Leasing AO.

In 2016, the AEB Leasing Subcommittee discussed and worked on a number of issues related to the leasing industry. The key topics included reforming the leasing industry (under regulation by the Central Bank), amendments to leasing-related legislation, the creation of self-regulatory organisation(s) (SROs) in the leasing industry, the collection of payments (incasso), the implementation of the law on personal data protection, subsidies to banks and leasing companies for car purchases on credit, the registry of leased assets under Federal Law No. 360-FL dated 03/07/2016, etc. The Leasing Subcommittee started to collaborate with the Central Bank (in particular, with the Department of Financial Stability): the subcommittee chairman and members participated in discussions, working groups and meetings organised by the Central Bank. Furthermore, it was proposed to organise a section on full-service automotive leasing (within the subcommittee) in order to discuss issues related to operational leasing.

FOOD PROCESSING COMMITTEE

AIMS	<ul style="list-style-type: none"> • To bring together and represent the common interests of its members – food processing and ingredient producing companies • To contribute to the improvement of the regulatory framework of the food processing industry through governmental liaison and lobbying activities • To promote international healthy nutrition standards
CHAIRPERSON	Marina Balabanova , Regional VP Corporate Affairs CIS, Danone
AEB MEMBER COMPANIES	Bonduelle; Cargill; Danone; DSM; DuPont Science & Technologies; Ferrero Russia; Herbalife; Kerry; Nestle Rossiya; SAF-Neva; Zentis Russland.
NUMBER OF COMMITTEE MEETINGS	2

COMMITTEE ACTIVITIES, 2016

The AEB Food Processing Committee was created in April 2016 by decision of the AEB Board based on the namesake Subcommittee working in the AEB Agribusiness Committee. The Committee's activities in 2016 were focused on formulating its long-term agenda; aligning the Committee members' positions and establishing contacts with relevant authorities; i.e. the RF Ministry of Agriculture, the RF Ministry of Economic Development; the RF Ministry of Health, and the Russian Federal Service for Surveillance on Consumer Rights Protection and Human Wellbeing (Rospotrebnadzor).

Focus areas:

- perspectives of introduction of track & trace system for food processing industry;
- reform of state control;
- electronic veterinary certification;
- implementation of the Strategy of Food Products Quality Improvement till 2030;
- healthy nutrition.

HEALTH & PHARMACEUTICALS COMMITTEE

AIMS	To consolidate, coordinate and protect the interests of AEB member companies working in the health and pharmaceutical industry	
CHAIRPERSON	Yury Litvishchenko , General Manager, Chiesi Pharmaceuticals LLC	
AEB MEMBER COMPANIES	Angelini Pharma Rus; Astellas Pharma ZAO; Astra Zeneca Pharmaceuticals LLC; Bayer ZAO; Binder; Bionorica OOO; Boehringer Ingelheim; Chiesi Pharmaceuticals LLC; DSM Group; DuPont Science and Technologies; EGIS Pharmaceuticals PLC; Esparma GmbH; Fidia Pharma Russia; Merck LLC; Novartis Group Russia; Novo Nordisk A/S; Orion Pharma LLC; Philips LLC; Sanofi Russia; SCA HYGIENE PRODUCTS RUSSIA LLC; SERVIER; Stada CIS; Takeda Pharmaceutical.	
NUMBER OF COMMITTEE MEETINGS	7	
AEB OPEN EVENTS ORGANISED (participation in open sessions was exclusively on invitations)	AEB events	Event date
	Roundtable meeting - Import substitution in the Russian pharmaceutical and medical industry: new opportunities to build a success story, Northern Dimension Forum	6 April 2016
	Press conference to present the Code of Good Practice in the Pharmaceutical Industry	19 April 2016

COMMITTEE ACTIVITIES, 2016

On 7 April 2016, the AEB Health & Pharmaceuticals Committee held its roundtable meeting at the VII Northern Dimension Forum in St. Petersburg. The event was dedicated to the topic Import substitution in the Russian pharmaceutical and medical industry: new opportunities to build a success story. The event was co-chaired by Sergei Smirnov, Chairman of the AEB Health & Pharmaceuticals Committee, and Evgeniy Kardash, Executive Director of the Scientific and Technological Pharmaceutical Company Polysan. The participants included regional administration officials, businesspeople and experts from the pharmaceutical industry.

Nadezhda Shevtsova, Lecturer at the Department of Pharmaceutical Management and Economy of the Saint-Petersburg State Chemical-Pharmaceutical Academy, Deputy Head of the R&D Department, spoke on the localisation of medications and procurement for the federal reimbursement programme; Alexander Khadzhidis, Chairman of the Association of Clinical Pharmacologists, Chief Clinical Pharmacologist of the Healthcare Committee of the City St. Petersburg, shared his vision on pharmaceutical market prospects and new financial opportunities; Yana Kotukhova, Government Relations and Public Affairs Manager at Sanofi Group Russia, presented the company case regarding the transfer of advanced technologies for the production of Russian pharmaceuticals; Maria Borzova, Manager of Life Sciences Projects, Vegas Lex, spoke on applying the RF Government's Decree 1289: challenges and opportunities. The experience of applying the RF Government's Decree No. 102.

On 19 April 2016, the Association of European Businesses and the Federal Antimonopoly Service held a joint press conference to present the Code of Good Practice in the Pharmaceutical Industry. The main objective of the code is the self-regulation of the pharmaceutical industry in the Russian Federation, as well as the establishment of fair, open and honest rules of competition in the pharmaceutical industry.

Igor Artemiev, Head of the Federal Antimonopoly Service, underlined the impact of the code on the pharmaceutical market. Yuri Litvishchenko, Chairman of the AEB Health & Pharmaceuticals Committee, CEO, Chiesi Pharmaceuticals, made a presentation on the main provisions of the new code. The press-conference was followed by a Q & A session.

On 19 May 2016, the AEB held a roundtable meeting on the legal and practical aspects of the localisation of production in Russia at the St. Petersburg International Legal Forum. The participants discussed issues such as ways to localise in Russia, the criteria for goods to be considered as locally made (e.g. Decree 719), the obstacles that companies face when implementing localisation projects, and much more. Members of the AEB Health & Pharmaceuticals Committee who localised production in Russia were represented in the event.

At the St. Petersburg International Legal Forum, the code of good practice for the pharmaceutical industry was presented at the Roundtable meeting organised by the Federal Antimonopoly Service.

On 27 September 2016, the AEB took part in The Russian Competition Week, which is the key annual event in the field of competition policy in Russia organised by the Federal Antimonopoly Service of the Russian Federation (FAS). Yury Litvishchenko, Chairman of the AEB Health & Pharmaceuticals Committee, CEO, Chiesi Pharmaceuticals, participated in the joint meeting of the Working Group of BRICS and the Working Group for Research on Competition Issues in the Pharmaceutical Sector, and delivered the presentation: Competition in the pharmaceutical market as the main precondition for a fair price. Senior officials of the foreign competition authorities and international organizations and representatives of the central office and regional offices of the FAS discussed the best global practices in the field of competition protection and advocacy.

On 1 November 2016, the Health and Pharmaceuticals Committee Chairman Yury Litvishchenko took part in an AEB meeting with Igor Artemiev, Head of the Antimonopoly Service, which was dedicated to the discussion of several issues from different industries including the pharmaceutical sector.

On 7 November 2016, the Health and Pharmaceuticals Committee Chairman Yury Litvishchenko took part in an AEB meeting with A. Besprozvannykh, Head of Regional Industrial Policy, Ministry of Industry and Trade, to discuss the special investment contract and the work of the department.

On 21 November 2016, the AEB Health and Pharmaceuticals Committee members met with Denis Cherednichenko, General director, United Innovation Corporation Rosatom, and Yaroslav Senshin, Director for Development, Rosatom, to discuss the experiment with the voluntary labeling of drugs.

From the very outset, the AEB has been supporting Prix Galien Russia, which recognises outstanding work to improve the human condition by means of biomedical and technological innovation. On 1 December 2016, the Prix Galien Russia Awards Committee honoured excellence in research, development and innovation in the biopharmaceutical industry at its third awards ceremony. Members of the AEB Health and Pharmaceuticals Committee took part in the ceremony.

On 5 December 2016, members of the AEB Health and Pharmaceuticals Committee took part in an AEB meeting with V. Osmakov, Deputy Minister of Industry and Trade, to discuss localisation and special investment contract issues.

HOME APPLIANCES MANUFACTURERS COMMITTEE

AIM	Improvement of the business environment for European companies in Russia	
CHAIRPERSON	Olivier Naccache , General Manager, Groupe Seb Vostok, Russia and Central Asia	
AEB MEMBER COMPANIES	Ariston Thermo Rus; BEKO; Brother; BSH Bytowije Pribory; Delonghi; Electrolux; Liebherr; Mitsubishi Electric; Philips; Procter & Gamble; Groupe SEB-Vostok; Whirlpool.	
NUMBER OF COMMITTEE MEETINGS	7	
AEB OPEN EVENTS ORGANISED (participation in open sessions was exclusively on invitations)	AEB external events	Event date
	Home Appliances Energy Efficiency Contest at the 5th ENES Forum	24 November 2016

COMMITTEE ACTIVITIES, 2016

In 2016, the AEB Home Appliances Manufacturers Committee focused on the issues referred to by its members as the most important, and these were energy efficiency labeling, technical regulations, waste management, market surveillance, the restriction of hazardous substance regulations, test management and independent product testing

In 2016, the Committee held 4 regular meetings as well as 3 CEO meetings. In November 2016, Committee representatives participated in the first Home Appliances Energy Efficiency Contest held at the 5th international ENES Forum.

HUMAN RESOURCES COMMITTEE

<p>AIMS</p>	<ul style="list-style-type: none"> • Developing Russia’s HR market • Lobbying for the members interests with all respective governmental and legislative bodies • Keeping business circles and government institutions in Russia aware of the current state of affairs in this area • Developing solutions to HR-related issues faced by foreign companies • Promoting the exchange of experience between foreign and Russian HR specialists • Assisting AEB members in expanding their network and helping companies adapt, in general, to the Russian business environment • The Committee keeps abreast of changes in the Russian labour market, including those influenced by the global economic situation, demographic trends, as well as amendments and additions to the country’s legislation • The Committee strives to contribute to the establishment and further application of the best international HR practices and standards in Russia
<p>CHAIRPERSON</p>	<p>Michael Germershausen, Managing Director, Antal Russia</p>
<p>AEB MEMBER COMPANIES</p>	<p>ABB; AB Services; Accenture; AIG Insurance Company; CJSC; Allianz IC OJSC; ALD Automotive LLC; ALRUD Law Firm; Alstom Russia Ltd; AMADEUS IT GROUP; ANCOR; Antal Russia; Aon Hewitt/AXES Management; AstraZeneca Pharmaceuticals LLC; Avon Beauty Products Company; LLC; Auchan Russia; Awara; Axel Springer Russia ZAO; Baker & McKenzie; Bayer ZAO; BearingPoint OOO; BEITEN BURKHARDT Moscow; Benteler Automotive LLC; BNP Paribas; Boehringer Ingelheim; Bonduelle-Kuban LLC; BP; British American Tobacco Russia; Brunel CR B.V. -(Brunel Energy Russia); BUREAU VERITAS RUS JSC; Business Psychologists Ltd. (CEB SHL Talent Measurement Solutions/ SHL Russia & CIS); Cargill LLC; CBSD/Thunderbird Russia; Chadbourne & Parke LLP; Chevron Caspian Pipeline Consortium Company - Moscow Branch; Citibank ZAO; Coleman Services UK; COMMUNICATOR Group; Continental Tires RUS OOO; Corporate Health LLC; CTN Group; Daikin Europe N.V. Representative Office; Deloitte; Delonghi; Dentons; Deutsche Bank Ltd.; DuPont Science and Technologies; E.ON SE; ECOTEAM LLC; Experian; European Bank for Reconstruction and Development (EBRD); Excelion Partners International Limited; EY; Ferrero Russia CJSC; Ferronordic Machines; Foodcards; FutureToday; GfK Rus; Goodyear Russia LLC; Heinicke Consulting LLC; Henkel Rus; Hempel ZAO; HSBC Bank (RR) OOO; Human Capital Solutions; HUMAN SEARCH; IKEA Shopping Centres Russia; ING Commercial Banking; Intermark Relocation; IWM; John Deere Rus; LLC; JTI Marketing & Sales; Jungheinrich Lift Truck; Knauf Group CIS; KPMG; Lieu Commun Agency; LEROY MERLIN Russia; L’Oreal; MAI Insurance Brokers; ManpowerGroup; Marriott; Mazars; Mazda Motor Rus OOO; Mercedes-Benz Russia; Michelin; Mitsubishi Corporation (Russia) LLC; Move One INC; M.Video; Nestle Rossiya LLC; Nissan Manufacturing RUS; Noerr OOO; Nokia Networks; Nordea Bank; Norton Rose Fulbright (Central Europe) LLP; Novo Nordisk A/S; OBI Russia;</p>

AEB MEMBER COMPANIES	Orange Business Services; Orion Pharma LLC; Pepeliaev Group; LLC; Performance Partners LLC; Peterka & Partners LLC; Philips LLC; PSA Peugeot Citroen; PwC; Raiffeisen Pension Fund; Renault Russia; Renaissance Moscow Monarch Centre Hotel; Repsol Exploracion S.A.; RH PARTNERS; Richemont; Rockwool; Rödl & Partner; SAFMAR NPF AO; Sandvik LLC; Sanofi Russia; Santa Fe Relocation Services; Schneider Electric; SCHNEIDER GROUP; Sergey Frank International; SGS Vostok Limited; Shell Exploration and Production Services (RF) B.V.; Siemens LLC; Specta AG; Statoil ASA; Syngenta OOO; Talent Q Pro Ltd.; The St. Regis Moscow Nikolskaya; TMF Group; Total E&P Russie; Toyota Motor OOO; Troika Relocations Ltd; UBS Bank OOO; Vaillant Group Rus LLC; Visa Delight; Vitus Bering Management Ltd.; VOLKSWAGEN Group Rus OOO; Volvo Cars LLC; Welcome Abroad Relocations; YOKOHAMA RUSSIA LLC.	
NUMBER OF COMMITTEE MEETINGS	7	
AEB OPEN EVENTS ORGANISED (participation in open sessions was exclusively on invitations)	AEB events	Event date
	Briefing by Maxim Topilin, Minister of Labour and Social Protection of the RF (jointly with External Affairs)	5 February 2016
	Thirteenth AEB HR Conference "Russia and the New Reality for HR"	22 March 2016
	Open event "Digital HR: In Transformation?"	19 October 2016
	Business meeting "Overview of Salary Surveys in Russia"	12 December 2016

COMMITTEE ACTIVITIES, 2016

On 22 March 2016, the AEB HR Committee held its thirteen's annual HR Conference entitled "Russia and the New Reality for HR". The conference was focused on the practices applied by leading companies under the shift of economy in the sectors of compensations & benefits, recruitment, assessment, training & development, and labour law. The panel discussion by CEOs "Strategic Business/HR Partnering Under the New Reality" was a special separate session, closing the conference. The panelists shared with the audience their vision on management and decision-making in the new market conditions.

On 19 October 2016, the Committee held its open event organized by the Recruitment Subcommittee and entitled "Digital HR: In Transformation?". The digital age has brought considerable change to both our professional and personal lives. With digital technology changing the way business is done, the HR functions of organisations are also looking for new ways to adjust digital technologies for hiring and managing talent and for implementing business transformations. On 12 December 2016, the Committee held its business meeting organised by the Compensation & Benefits Sub-Committee and entitled "Overview of Salary Survey in Russia". This meeting has been held annually by the Committee for the last nineteen years. The main goals of this business meeting are to provide AEB members with the results of surveys giving current and comprehensive information on the base salary for the year, bonuses received and other factors related to salaries, provide information on the main trends and future outlook of Russia's salary market, and to assist the AEB Members in establishing appropriate pay levels for different levels of responsibility.

The briefing by Maxim Topilin, Minister of Labour and Social protection of the RF, held on 5 February 2016 for AEB members served as a starting point for the study of important issues in close dialogue with Mintrud. One of them is flexible shift schedules and amendments to Article 103 of the RF Labour Code "Shift Work" – the project is now supported by other AEB members.

Another important topic lobbied for by the AEB HR Committee/Labour Law Subcommittee is competition clauses. The issue was first announced by AEB members at a meeting with Minister Topilin in February 2016. At the initial meeting held in Mintrud in October 2016, the HR Committee/Labour Law Subcommittee outlined the following aspects of the problem: working part-time for a current employer's direct competitors in the main workplace, the foundation of companies competing with a current employer's company, employment at a competing company after the termination of an employment contract.

In June 2016, the AEB HR Committee conducted a survey on the employment of disabled people in companies operating in Russia. The topic of the employment of disabled people is becoming a high priority in Russia at the highest political level. In order to develop the current policy applied in the Russian Federation, the AEB was approached by the Ministry of Industry and Trade of the RF with a request to help analyse the experience gained by AEB members in this regard. In 2016, the following meetings were organised and held by HR Committee/Labour Law Subcommittee:

- 24 February 2016 – Meeting with the Department of Wages, Labour Relations and Social Partnership, Ministry of Labour and Social Protection of the RF, devoted to the Volkswagen Group's initiative on flexible shift schedules and amendments to Article 103 of the RF Labour Code "Shift Work"
- 19 May 2016 – Meeting on disability insurance fraud with the Department for Disabled People and Pensions, Ministry of Labour and Social Protection of the RF (jointly organised with the AEB Pensions & Insurance Committee)
- 9 August 2016 – Meeting with the Department of Wages, Labour Relations and Social Partnership, Ministry of Labour and Social Protection of the RF on flexible shift schedules and amendments to Article 103 of the RF Labour Code "Shift Work" – presentation of the AEB's consolidated position
- 25 October 2016 – Meeting with the Department of Wages, Labour Relations and Social Partnership, Ministry of Labour and Social Protection of the RF on competition clauses
- 2 December 2016 – Meeting with the Department for Wages, Labour Relations and Social Partnership, Ministry of Labour and Social Protection of the RF on flexible shift schedules and amendments to the Article 103 of the RF Labour Code "Shift Work" – presentation of the AEB's amended proposal

INSURANCE & PENSIONS COMMITTEE

AIMS	The Insurance and Pensions Committee aims to level the playing field between local and foreign operators in the insurance and pensions sectors, and to provide direct technical policy advice to European and Russian government officials.	
CHAIRPERSON	Alexander Lorenz , Chairman of the Supervisory Board, SAFMAR NPF AO/ Member of the Board, Virtu Systems LLC	
DEPUTY CHAIRPERSON	Vladimir Sukhinin , CEO Advisor, CARDIF Insurance Company Limited Liability Company	
AEB MEMBER COMPANIES	AIG Insurance Company, CJSC; Allianz IC OJSC; CARDIF Insurance company Limited Liability Company; Chubb Insurance Company, LLC; CMS Russia; General Reinsurance AG; INTOUCH INSURANCE; MAI Insurance Brokers; MetLife JSC; Norton Rose Fulbright (Central Europe) LLP; Russian Standard Insurance; SAFMAR NPF AO; SCOR Representative Office; SOCIETE GENERALE Strakhovanie Zhizni LLC; Tinkoff Online Insurance, JSC; Virtu Systems LLC; VSK Insurance Joint Stock Company; WELBI; Zetta Insurance Company Ltd.; ZURICH RELIABLE INSURANCE, JSC.	
NUMBER OF COMMITTEE MEETINGS	10	
AEB OPEN EVENTS ORGANISED (participation in open sessions was exclusively on invitations)	AEB events	Event date
	Electronic insurance in Russia	15 July 2016
	Business meeting: Pension system of Russia: looking to the future	20 December 2016

COMMITTEE ACTIVITIES, 2016

In 2016, the Committee continued to develop cooperation and held regular meetings with key state partners.

- The Committee strengthened its collaboration with the regulator – the Central Bank (in particular, with the Insurance Market Department at the Central Bank). The Committee regularly provided comments and proposals to improve insurance regulation and sent a number of requests for clarifications on insurance issues to the regulator. In 2016 the Committee held a number of meetings with representatives of the Insurance Market Department to discuss the following issues: on 1 February regarding the limitations on investments in assets of related parties (structural relations); on 6 April mainly regarding the CBR Regulation on minimum standards for foreign citizens in respect of VMI and AEB comments and proposals to draft law No. 939349-6 on improving the procedure for licensing insurance entities; on 25 April regarding two draft methodological recommendations on the internal control system and internal audit (as a result of the meeting the Committee prepared and sent a table of comments and proposals to the draft methodological recommendations). Furthermore, Vladimir Sukhinin, Deputy Committee Chairman and Committee members regularly took part in the meetings and activities of the Central Bank's Expert Council on Insurance.

- The Committee continued its dialogue with the Ministry of Finance, which usually reacts positively to proposals made by the Committee. The Committee members took part in the roundtable meeting organised by the Ministry of Finance on the legislation of foreign insurers in the Russian Federation in accordance with WTO obligations on 12 July 2016.
- The Committee continued to liaise with the Federal Antimonopoly Service (FAS), and Committee representatives took part in the meetings and activities of the Expert Council on the Protection of Competition in the Financial Services Market (section on the insurance services market) under the FAS Russia.
- The Committee liaised with the government and Presidential Administration (mainly on the issue of the national reinsurance company), the Ministry of Economic Development (primarily through the procedure of the regulatory impact assessment of legal acts related to insurance), and the Federal Migration Service, and sent comments and requests on issues related to insurance regulation.
- The Committee began to liaise with the Ministry of Labour and Social Protection (jointly with the AEB HR Committee). On 19 May, Insurance & Pensions Committee and HR Committee representatives held a meeting with representatives of the Ministry of Labour and Social Protection on combating insurance fraud in respect of the establishment of disability of ineligible persons based on fictitious medical records. By Order No.577 of the Ministry of Labour and Social Protection dated 19 October 2016, a representative of the Insurance & Pensions Committee was included in the interdepartmental working group on cooperation between medical and social expertise institutions and insurance companies regarding the establishment of disability of insured persons (under the ministry).
- The Committee continued its dialogue with the State Duma Committee on Financial Markets and provided comments and proposals on a number of draft laws related to insurance.

In addition to the abovementioned, the Committee held a meeting with the Russian Association of Motor Insurers (RSA) regarding the Bureau of Insurance Histories on 7 July 2016. RSA representatives were interested in European experience with regard to the Bureau of Insurance Histories.

On 15 July 2016, the Committee held an open event: Electronic insurance in Russia, with the participation of representatives of the Ministry of Finance, the Central Bank, and the Russian Association of Motor Insurers where they discussed recent trends and developments in electronic insurance in Russia and exchanged experience and ideas.

On 20 December 2016, the Committee held the business meeting: Pension system of Russia: looking to the future, with the participation of representatives of the Association of Non-State Pension Funds (ANPF) and the Higher School of Economics. The event-goers were updated on pension reforms and the pension market, and given an overview of corporate pension programmes and solutions.

In 2016 the Committee continued its discussions regarding joining the International Insurance Law Association/Association Internationale de Droit des Assurances (AIDA). In July 2016, the AEB Board supported the request of the Insurance and Pensions Committee to join the AIDA as the Russian National Chapter. The AIDA Russian National Chapter platform is open for participation in events for companies, professionals, lawyers, students and PhD students.

INTELLECTUAL PROPERTY COMMITTEE

<p>AIMS</p>	<ul style="list-style-type: none"> • To monitor changes in IP legislation in the Eurasian Economic Union and to monitor these changes on the national level in Russia • To protect the rights of IP right owners and other honest market players and to prevent the unauthorised use of intellectual property • To monitor the application of the procedural codes in respect of IP-related issues • To provide legal support services (informational briefings and seminars, regular legislative up-dates) for AEB members on IP-related issues • To undertake expert reviews of draft AEB letters and policy papers on existing and proposed Russian and Eurasian intellectual property legislation: copyright, patents, trademarks, industrial design rights, utility models, geographical indication, trade secrets, related rights, trade names • To undertake expert reviews of court practice and also to conduct comparative analyses of court practice in Russia and the European Union • To provide a forum for the exchange of information, analysis, and views between AEB members on new developments in Russian and Eurasian laws and legal practice in the area of intellectual property
<p>CHAIRPERSON</p>	<p>Anton Bankovsky, Partner, CMS (from May 2016) Eugene Arieivich, Partner, Baker & McKenzie (till April 2016)</p>
<p>DEPUTY CHAIRPERSON</p>	<p>Tatiana Sazonova, Head of Department of Intellectual Property & Standards, Philips LLC; Ekaterina Tilling, Senior Partner, Advocate, Tilling Peters LLC</p>
<p>AEB MEMBER COMPANIES</p>	<p>1 Forma LLC; Alinga Consulting; Allen & Overy Legal Services; ALPE consulting OOO; ALRUD Law Firm; Alstom Russia LTD; Andrey Gorodissky and Partners Law Firm; AstraZeneca Pharmaceuticals LLC; Atlas Copco, JSC; Baker Botts LLP; Baker & McKenzie CIS Ltd.; BASF; Bayer ZAO; BECO; BEITEN BURKHARDT Moscow; BMW Group Russia; Bonduelle-Kuban LLC; Caterpillar Eurasia LLC; Borenius Russia LTD; CMS Russia; Continental Tires RUS OOO; Credit Agricole CIB AO; Deloitte CIS; Delonghi; Dentons; DLA Piper; Dow AgroSciences VmbH; DuPont Science and Technologies; Egorov Puginsky Afanasiev & Partners (EPA&P); Electrolux; Elite Security GmbH; Esparma GmbH; EY; Ford Sollers Holding LLC; General Motors Russia & CIS LLC; Goltsblat BLP; Google; Grayling Eurasia OOO; Hannes Snellman; IKEA Centers Russia; JETRO; JURALINK; Kia Motors RUS LLC; KIAP, Attorneys at Law; L'Oreal; Lamberti Rus; Mannheimer Swartling; Mazars; Mercedes-Benz Russia ZAO; Michelin; M.Video; Morgan Lewis; Nestle; Nissan Manufacturing RUS; Noerr OOO; Nokia Networks; Novartis Group; Pepeliaev Group; Peterka & Partners LLC; Philip Morris Sales and Marketing; Philips LLC; Porsche Russland; Procter & Gamble; PwC; Renault Russia; Roedel & Partner; Rouse & Co. International (UK) Ltd.; Sanofi Russia; Scania-Rus LLC; Schneider Electric; Schneider Group; Shevyrev and Partners, Bureau of attorneys; Siemens LLC; Syngenta OOO; Tilling Peters LLC; Total; Toyota Motor OOO; VEGAS LEX Advocate Bureau; Vlasta-Consulting LLC; Volkswagen Group Rus OOO.</p>

NUMBER OF COMMITTEE MEETINGS	5	
AEB OPEN EVENTS ORGANISED (participation in open sessions was exclusively on invitations)	AEB events	Event date
	Round Table discussion: IT in relation to intellectual property rights	2 March 2016
	Annual conference: Intellectual Property Rights: Recent Trends, Court Practices, Problems and Solutions	4 October 2016

COMMITTEE ACTIVITIES, 2016

On 8 February 2016, the AEB IP Committee represented by the then Deputy Committee Chair Anton Bankovskiy, Partner at CMS, and Ekaterina Tilling, Senior Partner, Tilling and Peters, met Sergey Matveev, Deputy Head of Department for Science and Technology, RF Ministry of Education and Science, to discuss the development of digital services for trademark owners and other issues of mutual interest.

On 26 February 2016, the Association of European Businesses represented by Frank Schauff, AEB CEO; Eugene Arievidh, Chairman of the AEB Intellectual Property Committee, Principal, Baker & McKenzie; Ekaterina Tilling, Senior Partner, Tilling and Peters, and Maya Limonnikova, AEB Legal Advisor, participated in the Council on Intellectual Property (IP), which was chaired by Valentina Matvienko, Chairperson of the Federation Council. The IP Council was devoted to improving the quality and accessibility of IP services. Frank Schauff presented the AEB position on key IP issues such as parallel imports, counterfeiting in the crop protection industry, forced licensing and data exclusivity in the pharmaceutical industry.

On 2 March 2016, the AEB Intellectual Property and IT & Telecom Committees jointly held the roundtable discussion: IT in relation to intellectual property rights. The event was co-chaired by Eugene Arievidh, Chairman of the AEB Intellectual Property Committee, Partner, Baker & McKenzie CIS – Russia, and Edgars Puzo, Chairman of the AEB IT & Telecom Committee, CEO, Atos IT Solutions and Services. The event was organised to inform AEB members of the latest legislative changes in IT and intellectual property rights as well as current law enforcement practices.

On 3 October 2016, Anton Bankovsky, Chairman of the AEB Intellectual Property Committee, and Ekaterina Thilling, Deputy Chairwoman, met with Tamas Kiraly, Policy Officer – International Aspects of Intellectual Property Rights Directorate-General for Trade, European Commission, and Luis Portero, Head of Economic and Trade Section, Delegation of the European Union to the Russian Federation to discuss IPR issues in the EU and Russia.

On 4 October 2016, the AEB Intellectual Property (IP) Committee held its annual conference: Intellectual Property Rights: Recent Trends, Court Practices, Problems and Solutions at the premises of the delegation of the European Union to Russia. The IP annual conference serves as a valuable platform for experts in intellectual property issues. It provides opportunities for its participants to learn about the most important issues in IPR protection through face-to-face interaction with representatives of state bodies, courts and leading legal companies and it provides an important platform for discussion. The event was moderated by Anton Bankovsky, Chairman of the AEB Intellectual Property Committee, Partner, CMS. Speakers from Russian state bodies (the Federal Antimonopoly Service, ROSPATENT, Court for Intellectual Property Rights), and regional organisations (Eurasian Economic Commission, European Commission) addressed a variety of issues ranging from the development of the Eurasian trademark system and united customs register of the Eurasian Economic Union to trading of counterfeit and pirated goods in the European Union.

Experts from the AEB IP Committee spoke on Russian court practice in parallel imports; issues related to damages and claims for compensation, protection of confidential information in Russia, registration of the disposal of exclusive rights, and the mandatory pre-trial settlement of IP disputes.

IT & TELECOM COMMITTEE

AIMS	<ul style="list-style-type: none"> • To promote the interests of AEB member companies in Telecom & IT through governmental liaison and information exchange • To assist AEB members with changes, best practices, legal and regulatory issues in IT and Telecom 	
CHAIRPERSON	Edgars Puzo , General Director, Atos	
DEPUTY CHAIRPERSONS	Natalia Schneider , Head of Telenor Russia; Andrey Sorokin , Director, Carriers and Government Relations Russia & CIS, Detecon International GmbH; Gleb Vershinin , GR Director, SAP C.I.S.	
AEB MEMBER COMPANIES	1 Forma; ABB; Accenture; ALP Group; ALPE consulting; ALRUD Law Firm; AMADEUS IT Group; Antal Russia; Atos; Baker & McKenzie; Beiten Burkhardt; Brother; Capital Legal Services; CMS Russia; Deloitte; Detecon Consulting; Egorov Puginsky Afanasiev & Partners; Google Russia; Morgan Lewis; Noerr; Nokia Solutions & Networks; Orange Business Services; PwC; Pepeliaev Group; SCHNEIDER GROUP; SAP C.I.S; Siemens LLC; Telenor Group; TeliaSonera International Carrier; Tieto; Tilling Peters LLC, VimpelCom.	
NUMBER OF COMMITTEE MEETINGS	8	
AEB OPEN EVENTS ORGANISED (participation in open sessions was exclusively on invitations)	AEB events	Event date
	Briefing by L. Konik, ComNews Group, Barcelona Mobile Congress	1 March 2016
	Roundtable meeting: IT with regards to intellectual property rights, together with the AEB Intellectual Property Committee	2 March 2016
	Roundtable meeting: Blockchain Technology: What can we do now to be ready for the future?	31 March 2016
	Meeting with Internet Ombudsman Dmitry Marinichev	1 December 2016

COMMITTEE ACTIVITIES, 2016

The purpose of the committee's work is to create the right conditions for cooperation and the joint development of digital technologies between Russia and the EU, followed by the mutual promotion of projects on global markets. To realise the Committee goals a number of meetings were organised and held with the heads of Russian and European government agencies. On 10 March 2016 a meeting was held with the participation of Committee representatives, the AEB management and the Mass Communications Minister Nikolay Nikiforov. The following proposals to promote the development of cooperation between Russia and the EU in high-technology were put forward at the meeting:

- to establish within the ministry an expert group on the localisation of companies which have a significant share of the software market in the Russian Federation;
- to facilitate dialogue between Russian Ministry of Communications and Mass Media and European Commissioner for Digital Economy and Society, to combine EU and Russian capabilities to achieve synergies through enhanced technological cooperation.

The Committee initiatives were supported by the minister. To develop the initiative the AEB IT-Telecom Committee with the support of member companies organised a meeting between G. Oettinger and members of the board of the Association of European Businesses at the St. Petersburg International Economic Forum. During the meeting, the AEB put forward the following proposals:

- To harmonise the regulatory environment on the principle of reciprocity;
- To develop, implement and promote joint products.

The Committee continued to liaise with the RF authorities: on 1 November 2016, Gleb Vershinin participated in a meeting with Igor Artemiev, Head of the Federal Antimonopoly Service, where they discussed software localisation.

LEGAL COMMITTEE

<p>AIMS</p>	<ul style="list-style-type: none"> • To provide legal support services (informational briefings and seminars, legislation updates) to AEB members • To participate in Russian legislation proceedings in the interest of the AEB members • To promote the exchange of practical experience of companies related to different legal aspects of the development of legislation in the RF and EU countries • To provide a forum for the exchange of information, analysis, and views between AEB members on new developments in Russian law and legal practice • To prepare recommendations for Russian legislation, i.e. encourage the implementation and application of existing international standards • To participate in the Russian legislation procedure by presenting international experience, and lobbying for the interests of AEB members and holding open discussions, sharing the best practices of AEB members with the Russian authorities
<p>CHAIRPERSON</p>	<p>Alexander Kozhukhov, Legal Counsel, Siemens</p>
<p>DEPUTY CHAIRPERSON</p>	<p>Sergey Krokhaliev, Partner, Baker&McKenzie Yulia Labutina, Head of Legal and Compliance, Atos</p>
<p>AEB MEMBER COMPANIES</p>	<p>BB Russia; Advocates Bureau Yug; Akzo Nobel N.V.; ALD Automative LLC; Alinga Consulting Group; Allen & Overy Legal Services; ALRUD Law Firm; Alstom Russia Ltd.; Andrey Goroditsky And Partners Law Firm; Astra Zeneca Pharmaceuticals LLC; Atlas Copco, JSC; Attorneys at Law Borenus Russia Ltd; Atos; Auchan; Baker & McKenzie CIS Ltd.; Baker Botts L.L.P.; BASF; BearingPoint OOO; BECO; BEITEN BURKHARDT Moscow; BMW Group Russia; BP Russia; Capital Legal Services LLC; Carnelutti Russia; Caterpillar Eurasia LLC; Clifford Chance; CMS Russia; Coleman Services UK; Creditreform RUS LLC; Danone Russia; Danske Bank Russia; Deloitte; Dentons; DLA Piper; DuPont Science & Technologies; EkoNiva-Technika Holding, LLC (part of EkoNiva group); ECOTEAM LLC; Egorov, Puginsky, Afanasiev & Partners; EY; Flex; Ford Sollers Holding LLC; FORTUM OYJ; General Motors Russia & CIS LLC; Gide Loyrette Nouel; Goltsblat BLP; Groupe Seb-Vostok ZAO; Hannes Snellman LLC; HeidelbergCement RUS; Henkel Rus OOO; HSBC Bank OOO; IBFS Europe GmbH; IKEA Shopping Centers; John Deere Rus LLC; Jungheinrich Lift Truck LLC; JURALINK; Kia Motors Rus, LLC; KIAP, Attorneys at Law; KPMG; Lamberti Rus; LegalLife Law Firm; Legrand Group; L’Oreal; Mannheimer Swartling; Mazars; Merck LLC; Mercedes-Benz Russia AO; MetLife; MOL Plc; M.Video; Nissan Manufacturing RUS; Noerr OOO; Nokia Networks; Nordea Bank; Norton Rose Fulbright (Central Europe) LLP; Novartis Group; Novo Nordisk A/S; OBI Russia; Olson Consulting; Orange Business Services; Oriflame; Orrick (CIS) LLC; Pepeliaev Group, LLC; Philip Morris Sales and Marketing; Philips LLC; Porsche Russland; PPG Industries LLC; Procter&Gamble; PSA Peugeot Citroen; PwC; Renault Russia; Repsol Exploration S.A.; Robert Bosch OOO; Rockwool; Roedl & Partner; Rouse & Co. International (UK) Ltd.; Sanofi Russia; Scania Leasing; Schneider Group; Schulze, Brutyan and Partners LLC; Secretan Troyanov Schaer S. A.; Shell Exploration and Production Services (RF) B.V.; Shevyrev & Partners; Siemens LLC; Sirota & Mosgo; SOCIETE GENERALE Strakhovanie Zhizni LLC; Sollers OAO; Stada CIS; Syngenta OOO; Tebodin Eastern Europe B.V.; Tilling Peters LLC;</p>

AEB MEMBER COMPANIES	Thomson Reuters; Tinkoff Online Insurance, JSC; TMF Group; Toyota Motor OOO; Troika Relocations Ltd.; United Technologies International Operations, Inc; Vaillant Group Rus LLC; VEGAS LEX Advocate Bureau; Vinson & Elkins L.L.P.; VISA; Volkswagen Group Rus; Volvo Cars LLC; WELBI; Yust LLC; Zetta Insurance Company Ltd.; Zurich Reliable Insurance, JSC.	
NUMBER OF COMMITTEE MEETINGS	7	
AEB OPEN EVENTS ORGANISED (participation in open sessions was exclusively on invitations)	AEB events	Event date
	St. Petersburg International Legal Forum, roundtable discussion on the legal and practical aspects of the localisation of production in Russia	19 May 2016

COMMITTEE ACTIVITIES, 2016

On 19 May 2016, the AEB held a roundtable discussion on the legal and practical aspects of the localisation of production in Russia at the St. Petersburg International Legal Forum. The participants discussed issues such as ways to localise in Russia, the criteria for goods to be considered as locally made (i.e. Decree 719), the obstacles that companies face when implementing localisation projects, and much more. The participants, consisting of AEB members and the state authorities, held a lively discussion on different aspects of special investment contracts (i.e. the exact preferences investors may receive, liability in the event of the violation of obligations, and more). The roundtable discussion was organised by the AEB Legal Committee.

Other related activities of the AEB: Arbitration Court activities

On 26 January 2016, the Association of European Businesses (AEB) presented the AEB Arbitration Court (AAC). Robert Schulze, President (Chairman) of the AAC, made a presentation on the rules and proceedings of the AEB Arbitration Court and introduced the Presidium.

On 25 April 2016, the AEB held a presentation on its newly established Arbitration Court (ACC) at the RTIB Russian-Turkish Businessmen Association. Robert Schulze, President of AEB Arbitration Court, informed the audience on the benefits of international commercial arbitration, the new Russian legislation on arbitration, and on the structure and rules of the ACC. The meeting participants were representatives of the biggest Turkish investors in the Russian Federation.

On 6 October 2016, the Presidium of the AEB Arbitration Court held an open event: The Future of Arbitration in Russia – Arbitration Reform and the Creation of the AEB Arbitration Court. The aim of the event was to introduce to the participants the latest legislation on arbitration in Russia and highlight the main features of the AEB Arbitration Court which was lately established to administer commercial disputes between companies. The main speakers were Robert Schulze, President of the AEB Arbitration Court; Fredrik Ringquist, First Deputy Chairman of the AEB Arbitration Court's Presidium, Partner, Mannheimer Swartling; Alexey Barnashov, Counsel, Head of Litigation (Russia), Mannheimer Swartling; and Alexandra Shmarko, Member of the AEB Arbitration Court's Presidium, Associate, Baker & McKenzie.

MACHINE BUILDING & ENGINEERING COMMITTEE

<p>AIMS</p>	<ul style="list-style-type: none"> • To take part in governmental policy making, in the areas related to the power and machine building industries, in an attempt to create clear rules to promote the development of a market where all participants have equal rights • To initiate changes in environmental legislation, taking into account the stringent environmental requirements of consumers, resulting in a better performance of power stations and implementation of new technologies • To render support to the Committee member-companies operating in Russia • To monitor the development of the machine building market in Russia • To facilitate the exchange of information and international experience in the field of machine building, which can subsequently be applied to the Russian environment • To unite representative of different industries with stake in the Machine Building Sector 	
<p>CHAIRPERSON</p>	<p>Philippe Pegorier, President, Alstom Russia</p>	
<p>DEPUTY CHAIRPERSON</p>	<p>Mikhail Turundaev, Business Development, Schneider Electric</p>	
<p>AEB MEMBER COMPANIES</p>	<p>ABB; Alstom Russia; Alstom Transport Rus LLC; Atlas Copco, JSC; BEITEN BURKHARDT; Caterpillar Eurasia LLC; Deloitte; DLA Piper; ECOTEAM; Faiveley Transport; General Electric; GOLTSBLAT BLP; John Deere Rus, LLC; Legalife Law Firm; Mitsubishi Electric; PwC; Pepeliaev Group, LLC; Phoenix Contact RUS OOO; Radius Group; Robert Bosch OOO; Schneider Electric; Siemens; TABLOGIX; Technology Company Schlumberger LLC; Tebodin Eastern Europe; THOST Russia Project Management, VEGAS LEX Advocate Bureau.</p>	
<p>NUMBER OF COMMITTEE MEETINGS</p>	<p>8</p>	
<p>AEB OPEN EVENTS ORGANISED (participation in open sessions was exclusively on invitations)</p>	<p>AEB events</p>	<p>Event date</p>
	<p>Machine Building Market Trends in Russia (first half of 2016)</p>	<p>9 June 2016</p>
	<p>Briefing by Valentin Gapanovich, Senior Vice-President, RZD, "Energy Saving & Energy Efficiency in the Railway Transport"</p>	<p>9 November 2016</p>
	<p>Engineering & Project Management: Risks Mitigation</p>	<p>6 December 2016</p>

COMMITTEE ACTIVITIES, 2016

The AEB Machine Building and Engineering Committee in its activities tries to keep a balance between topics and issues common to representatives of other “neighbour” branches as automobile construction, autocomponents, construction equipment, technical regulation and standardisation trying to act in synergy with other AEB Committees. In 2016, the Committee continued to monitor the development of the Russian machine building market organising regular open events tackling the most important from the committee’s point of view issues such as localization; import substitution; infrastructure; customs clearance; innovations; human resources and professional education; standardisation and certification; SPICs – generally speaking, foreign investment in Russian production capacities. A traditional Round table on the trends of the Russian Machine Building Sector in RF was organized, jointly with the AEB AMC Committee. In November the Committee has gathered as usual the specialists in engineering having tackled the risks mitigation during design and project execution.

This year was marked by further strengthening and developing of working relations with the RZD. The RZD Senior Vice-President V. Gapanovich during his briefing addressed the AEB members on energy saving & energy efficiency in the railway transport. The Committee Chairman Philippe Pegorier has participated in the 11-th International Rail Business Forum “1520 Strategic Partnership (Sochi, 1-3 June 2016)”.

The Committee representatives have actively participated in the Saint Petersburg Economic Forum (June 2016), Eastern Economic Forum (September 2016), InnoProm (October 2016), and ENES (November 2016)

MIGRATION COMMITTEE

AIMS	To improve the current migration legislation and its application for foreign citizens in Russia	
CHAIRPERSON	Ludmila Shiryaeva , Government Relations Director, EY	
DEPUTY CHAIRPERSONS	Alexey Filippenkov , Partner, Visa Delight, Andrey Slepov , Senior Associate, BEITEN BURKHARDT, Maxim Novikov , Senior Manager, KPMG	
AEB MEMBER COMPANIES	Accenture, Alinga Consulting and Audit, Allen & Overy Legal Services, Alstom Russia Ltd., Ararat Park Hyatt Moscow, Baker & McKenzie CIS Ltd., BAT, BDO, BP, Bayer AG, BEITEN BURKHARDT, Cargill LLC, Continental Tires RUS LLC, CMS Russia, DaimlerChrysler AG, Danone Russia, Deloitte, DLA Piper, DuPont Science & Technologies, Enel Russia, EY, Gasunie, Gide Loyrette Nouel, Goltsblat BLP, HeidelbergCement Rus, IKEA, Korean Airlines, KPMG, LEROY MERLIN Russia, Linklaters CIS, L'Oreal, Mazars, Mercedes-Benz Russia, Michelin, Moscow School of Management SKOLKOVO, Move One INC, Nissan Manufacturing RUS, NOERR, Orrick (CIS) LLC, Oriflame, Pepeliaev Group, Philip Morris Sales & Marketing, PwC, Repsol Exploracion S.A., Robert Bosch OOO, Salans, Scania Rus LLC, SCHNEIDER GROUP, Secretan Troyanov Schaer S.A., Siemens LLC, Shell Exploration and Production Services (RF) B.V., Technology Company Schlumberger LLC, Telenor, THOST Russia Projektmanagement OOO, TF-Group, Total E&P Russie, Troika Relocations Ltd., Unicredit Bank, Visa Delight, Volvo Vostok, ZAO, Welcome Abroad Relocations	
NUMBER OF COMMITTEE MEETINGS (and number of participants)	Event title	Event date
	Committee management meeting, 5 participants	8 February, 2016
	Committee WG on amending FZ-115 meeting, 20 participants	5 April, 2016
	Committee management meeting, 5 participants	31 May, 2016
	Committee management meeting, 6 participants	28 October, 2016
	Committee meeting, 35 participants	14 November, 2016
COMMITTEE/GROUP PRESENTATION	Yes/No	
AEB OPEN EVENTS ORGANISED (participation in open sessions was exclusively on invitations)	AEB events	Event date
	Working meeting with Federal Migration Service management	15 Februar, 2016
	Migration Conference with participation of the Federal Migration Service management	18 February, 2016

AEB OPEN EVENTS ORGANISED (participation in open sessions was exclusively on invitations)	AEB external events	
		Meeting of AEB and Migration Committee management with MVD Labor Migration Department management (Ministry of Internal Affairs)
JOINT ACTIVITIES WITH OTHER GROUPS/ COMMITTEES (i.e.: events, letters, lobbying, etc.)	Meeting with Insurance Committee	4 April, 2016
	Joint letter with Insurance Committee to I. Zhuk, Director of the Insurance Market Department at Central Bank on medical insurance requirements	27 April, 2016
LOBBYING LETTERS (initiated by the Committee)	Letter to K. Romodanovsky, FMS re 'Shell' case	1 April, 2016
	Letter to O. Kirillova, Head of GUVM MVD on cooperation with AEB companies and full list of AEB companies	12 August, 2016
	Letter to O. Kirillova on 'Ford Sollers' case	19 September, 2016
	Letter to O. Kirillova, Head of GUVM MVD re 'Schlumberger' case	7 October, 2016
	Letter to O. Kirillova, Head of GUMV MVD on updated list of AEB companies	19 December, 2016

COMMITTEE ACTIVITIES, 2016

In April 2016, the Presidential Decree abolished the Federal Migration Service and handled its authorities in the migration sphere to the Ministry of Internal Affairs. In this respect, the Migration Committee made everything possible to establish efficient working relationship with the Labor Migration Department of the Ministry of Internal Affairs.

NORTH-WESTERN REGIONAL COMMITTEE

<p>AIMS</p>	<ul style="list-style-type: none"> • To improve the business environment for its European member companies in Russia • To increase transparency and develop honest business opportunities in the region • To facilitate cooperation with local and federal authorities in order to solve problems or to benefit member companies and/or their business sectors • To provide platforms such as subcommittees or working groups to resolve problems encountered by its members • To organise events and other meeting opportunities for networking purposes • To cooperate with consulates and other bodies of the European Union in the region • To cooperate with other business associations • To provide quality information to member companies
<p>CHAIRPERSON</p>	<p>Andreas Bitzi, Partner, Director of St. Petersburg Branch, SCHNEIDER GROUP</p>
<p>DEPUTY CHAIRPERSON</p>	<p>Elena Novoselova, Head of Regional Development, Coleman Services UK; Anton Rassadin, Government Affairs, BSH Group</p>
<p>AEB MEMBER COMPANIES</p>	<p>Accountor M; Air France; Allianz IC OJCS; Alinga Consulting Group; ALP Group; Alstom Russia Ltd; Ancor; Antal Russia; Ariston Thermo; Arivist; ASTRON Buildings LLC; AWARA Group; Baker & McKenzie CIS Ltd.; Baltica Trans; Beiten Burkhardt; Bonava; BORENIUS RUSSIA LTD; British American Tobacco Russia; BSH Goup; Bureau Veritas; Business Psychologists; Capital Legal Services; Castrén & Shellman International Ltd.; Citibank; Coleman Services; Commerzbank (Eurasija) AO; Credit Agricole Corporate & Investment Bank; Danske Bank; Deloitte; Dentons; Deutsche Bank; Deutsche Lufthansa AG; DLA Piper Rus St. Peresburg; Drees & Sommer; East Office of Finnish Industries; EF English First CIS; EGO Translating; Egorov Puginsky Afanasiev & Partners; EKE Group; European Bank for Reconstruction and Development (EBRD); EY; First Names Group; Finnish-Russian Chamber of Commerce; Finnvera Ltd; Finpro; Ford Sollers Holding LLC; Galitzine Consulting; General Motors; Gestamp Russia; GFK; GoingRussia; Hannes Snellman; HeidelbergCement Rus; Human Search; International Hotel Investments (Benelux) B.V. (Corinthia Hotel); IKEA DOM LLC; INTERPONT; Italcantieri; ITE LLC Moscow; JETRO; Johnson Controls; JTI Russia; Jungheinrich Lift Truck; JURALINK; KOTRA; KPMG; Lenta LLC; Linxdatacenter Linxtelecom; Manpower Group; Man Truck & Bus AG; MiKenopa; Most Services; Move One INC; Nissan Manufacturing Rus; Nokian Tyres; NORD OUTSOURCING; Nordea bank; Novo Nordisk A/S; Pepeliaev Group; Philips; Philip Morris Sales & Marketing; Port Hamburg Marketing; PRYSMIAN RUS LLC; PwC; Raiffeisenbank AO; Raiffeisen-Leasing; Rautaruukki OYJ; ROCA; Rockwool; Rödl & Partner; SATO Rus; Scania-Rus LLC; SCHNEIDER GROUP; Schneider Electric; Siemens; Skaala OOO; Sokotel LLC; Spectrum Holding; SRV Russia Ltd.; Stockholm School of Economics in Russia; Stockman ZAO; Tebodin Eastern Europe B.V.; Tekes - Finnish Funding Agency for Technology and Innovation; TMF-Group; VEGAS LEX Advocate Bureau; VimpelCom PJSC (Beeline); VOLKSWAGEN Group Rus OOO; Volvo Group; Vostok Consulting Oy; VSK Insurance Joint Stock Company; Wienerberger Kirpitsch LLC; Work Service; YE International JSC; YIT.</p>
<p>NUMBER OF COMMITTEE MEETINGS</p>	<p>Committee meetings – 4 Steering Group meetings – 11 Subcommittee meetings – 22</p>

AEB OPEN EVENTS ORGANISED (participation in open sessions was exclusively on invitations)	AEB events	Event date
	Meeting with the North-Western Customs authorities	4 February 2016
	IMF representative briefing	12 February 2016
	Current trends in the building materials market in the North-Western Federal District: trends, forecasts and practices	31 March 2016
	AEB NWRC General Meeting in St. Petersburg (Elections)	6 April 2016
	World Bank briefing	14 April 2016
	Round table discussion: Dialogue between business and education	31 May 2016
	Localisation of production in Russia: trends, opportunities and challenges	3 June 2016
	Presentation of the AEB annual survey results: strategies and prospects for European companies in Russia	15 June 2016
	Opening of the Business Season (Euro-reception) with a briefing by Dmitry Yalov	20 September 2016
	Roundtable discussion: the challenges of manufacturing in Russia with a site visit to OOO SKAALA	23 September 2016
	Construction and real estate market in Russia and St. Petersburg: medium-term development prospects	6 October 2016
	Meeting with the North-Western customs authorities	12 October 2016
	Meeting with Labour Inspection representatives	9 November 2016
	Baltic Business Breakfast: B2B vs B2C: consumer behaviour and challenges	15 November 2016
	World Bank briefing	22 November 2016

COMMITTEE ACTIVITIES, 2016

The North-Western Regional Committee strives to offer its members services and information of equal standing to that offered by the AEB in Moscow.

From more than 200 AEB members represented in the North-Western Region, about 115 companies were active in 2016 and regularly participated in the work of the Committee and its 5 subcommittees.

2016 was marked by several notional open events and business meetings held by the Committee and its subcommittees. Of particular importance were those held with the North-Western customs authorities, the Labour Inspection of St. Petersburg, the IFM, the World Bank, St. Petersburg State University, and others). 2016 was marked by a landmark event: the 20th Anniversary of the AEB in Russia.

The Committee raised and discussed with the authorities issues such as:

- Improvement of the investment climate in the region;
- Application of the TIR and customs transit transfer procedure;
- Parallel imports;
- Draft customs code of the EEAU;
- Application of customs laws;
- Use of information technology for the customs declaration;
- Practice of working with authorised economic operators in North-West Russia;
- Practice of the provision by the NWCA of preliminary decisions on the classification of goods under HS EAEC;
- Issues related to customs value and other customs administration issues;
- Production localisation issues;
- Challenges experienced by manufacturing companies in Russia;
- Labour inspection audit;
- Attracting, onboarding and retaining employees;
- Talent management;
- Professional standards;
- Business and education;
- Outstaffing and outsourcing legislation;
- Challenges and forecasts in the construction industry of the North-Western Region of Russia;
- Current situation in the building materials market;
- New tax regulation as regards the real estate industry;
- Changes to corporate law;
- B2B vs B2C markets: consumer behaviour and challenges.

In 2016 the AEB NWRC continued to participate in the regular meetings of the Investment Councils of St. Petersburg and the Leningrad Region. In December the AEB NWRC participated in the conference organised by the government of the Leningrad Region on "Clever regulation in practice: the effective mechanism of direct dialogue between government and business when taking regulatory decisions" where the results of a survey carried out in cooperation with the administration of the Leningrad Region among AEB members who do business in the region were presented.

In 2016 the AEB NWRC became a member of the advisory Committee under the Regional Customs Authorities (SZTU) and participated in its regular meetings.

In 2016 the management of AEB met with representatives of the St. Petersburg Government and the Leningrad Regional Government, as well as with the Deputy of the Plenipotentiary Representative of the President of the RF in the North-Western Region to discuss the current situation, activities and opportunities for cooperation.

The general consulates in the St. Petersburg and European Union delegation to the Russian Federation consider the AEB North-Western Regional Committee as an adviser and reliable partner for European companies in the North-Western Region. In 2016 the AEB continued to foster cooperation with EU consulates in St. Petersburg through regular meetings with EU delegation representatives and with the general consulates and commercial staff. The AEB organised events in cooperation with the consulates, held presentations of the AEB's federal and regional work during business breakfasts at the consulates and meetings with national representative companies and potential members.

PUBLIC RELATIONS & COMMUNICATIONS COMMITTEE

<p>AIMS</p>	<p>The Public Relations and Communications Committee was established in 2008, bringing together experts from European businesses and consultancies to discuss important issues and exchange information and advice on the best PR practices in Russia. The Committee commenced its work during the global economic crisis that created serious challenges for business across many industries. Therefore, one of the primary goals was to contribute to the effective management of the reputational risk of AEB member companies by providing advice and information regarding crisis communication techniques.</p>
<p>CHAIRPERSON</p>	<p>Igor Reichlin, Managing Partner, Reichlin & Partners LLC</p>
<p>DEPUTY CHAIRPERSON</p>	<p>Marina Tatarskaya, Public Relations Director, Ferrero Russia CJSC</p>
<p>AEB MEMBER COMPANIES</p>	<p>ABB; ABBYY LS; Alfa Laval; Allianz IC OJSC; ALRUD Law Firm; ANCOR; Antal Russia; Ararat Park Hyatt Moscow; Avon Beauty Products Company LLC; Axel Springer Russia ZAO; BASF; Bayer ZAO; BEITEN BURKHARDT Moscow ; BNP Paribas; Boehringer Ingelheim; Bosch; BP; British American Tobacco Russia; BSH Bytowaja technika Ltd; Caterpillar Eurasia LLC; Coleman Services UK; Continental Automotive Systems RUS OOO; Covestro LLC; Creditreform RUS; Corporate Health LLC; CRH; CTN Group; Danone Russia; Delphi Samara JV JSC; Deloitte; Debevoise and Plimpton LLP; Deloitte CIS; Delphi Samara JV JSC; Dentons; Deutsche Bank Ltd; DHL Express; DSM; DuPont Science & Technologies; Ericsson; EY; Experian; FENICE RUS LLC; Ferrero Russia CJSC; Gasunie; GOLTSBLAT BLP; Grayling; Haldor Topsoe ZAO; Hotel Baltschug Kempinski Moscow; IKEA Shopping Centres Russia; ING Wholesale Banking in Russia; InterContinental Moscow Tverskaya Hotel; Intermark Relocation; International Road Transport Union; INTOUCH INSURANCE; John Deere Rus LLC; Iveco Russia LLC; Kesarev Consulting; KPMG; LEROY MERLIN Russia; Lieu Commun Agency; Mannheimer Swartling Ryssland Advokataktiebolag; Manpower Group; Marriott Moscow Hotels; Mazars; Merck LLC; Messe Frankfurt Rus Ltd; MetLife JSC; Metro Group; Metropol Hotel Moscow; Morgan Lewis; NAVIEN RUS LLC; Nestle Rossiya LLC; Noerr OOO; Norton Rose Fulbright (Central Europe) LLP; Novo Nordisk A/S; Oriflame; Pepeliaev Group LLC; Peterka & Partners LLC; Philip Morris Sales & Marketing; Philips LLC; PwC; Radisson Royal Hotel; Raiffeisenbank ZAO; Reichlin & Partners LLC; Renaissance Moscow Monarch Centre Hotel; Repsol Exploration S.A.; Rödl & Partner; Saint-Gobain CIS; Sanofi Russia; SCHNEIDER GROUP; Schneider Electric; Siemens LLC; Shell Exploration and Production Services (RF) B.V.; SOCIETE GENERALE Strakhovanie Zhizni LLC; Stada CIS; Swissotel Krasnye Holmy Moscow; Syngenta; TABLOGIX; Tebodin Eastern Europe B.V.; Telenor Russia AS; Syngenta OOO; Thomson Reuters; TMF Group; Total E&P Russie; United Technologies International Operations Inc; VOLKSWAGEN Group Rus OOO; YIT Construction; ZURICH RELIABLE INSURANCE JSC.</p>
<p>NUMBER OF COMMITTEE MEETINGS</p>	<p>3</p>

	AEB events	Event date
AEB OPEN EVENTS ORGANISED (participation in open sessions was exclusively on invitations)	"Meet the Media" with Mikhail Fishman, Editor in Chief, The Moscow Times	12 February 2016
	Presentation by the Rossiya Segodnya International Information Agency	15 September 2016
	"Meeting the State Tretyakov Gallery"	7 October 2016
	Round table discussion: "The development of scientific and technical innovative and creative potential among young people: prospects for cooperation" jointly organised with the AEB WG on Modernisation & Innovations	14 December 2016

COMMITTEE ACTIVITIES, 2016

On 12 February 2016 the AEB PR & Communications Committee organised a meeting with Mikhail Fishman, Editor in Chief of The Moscow Times. The Moscow Times and its online edition (themoscowtimes.com) is now the only media platform in Russia that remains available to an international audience in English and is independent. At the end of 2015 The Moscow Times changed owners and its editorial concept. Mikhail Fishman, the new editor-in-chief and one of the most experienced Russian journalists, briefed the audience on the publication's plans to work with foreign investors in Russia, and about the unique and attractive options offered by this media platform.

On 15 September 2016 the Committee held its open event – a presentation by the Rossiya Segodnya International Information Agency. The Rossiya Segodnya International Information Agency is an international media group whose mission is to provide prompt, balanced and objective coverage of what is happening around the world, and provide the audience with different perspectives on key events. The agency is the largest Russian producer of information products targeted at an international audience, the business community, government bodies and a wide range of users. The following topics were covered by the speakers at the event: the main areas of focus of Rossiya Segodnya, monitoring of the information agenda through RIA Novosti's news ticker, strengthening the company's presence in the media through the agency's interactive projects, Rossiya Segodnya Agency's international multimedia press centre.

On 14 December 2016, the AEB PR & Communications Committee jointly with the AEB Working Group on Modernisation & Innovations held a round table meeting entitled "The development of scientific and technical innovative and creative potential among young people: prospects for cooperation". The event was aimed at informing AEB members on possible cooperation in the development of scientific and technical innovative and creative potential among young people, to show the link between industrial enterprises and graduates of the professional education system.

In 2016 the topic of communications in culture formed a new section in the AEB PR & Communications Committee's agenda. In these regards the Committee held two events with museums that are among the largest and most famous in Russia- the Pushkin State Museum of Fine Arts (May 2016, Committee's open meeting) and the State Tretyakov Gallery (October 2016, Committee's open event). In both cases the events raised significant interest among the AEB PR community and provided the opportunity to learn about the museums' new projects and cooperation & partnership opportunities.

PRODUCT CONFORMITY ASSESSMENT COMMITTEE

AIMS	<ul style="list-style-type: none"> • To identify and act on the major problems identified in the field of technical regulation, product conformity assessment and standardisation • To act as a specific link with European Commission representatives in charge of the EU-Russia Regulatory Dialogue • Contribute to approximation of the technical regulation between Russia and EU 	
CHAIRPERSON	Alexey Soldatov , Technical Regulation Manager, BSH Bytowije Pribory	
DEPUTY CHAIRPERSON	Elena Kirillova , Head of technical translation and certification department, Legrand Group	
AEB MEMBER COMPANIES	ABB; ASTRON Buildings LLC; BASF; Bonduelle-Kuban LLC; BSH Bytowije Pribory OOO; Caterpillar Eurasia LLC; Continental Tires RUS OOO; Danone Russia; DLA Piper; Doosan Infracore Co. Representative Office in Russia; DuPont Science and Technologies; Electrolux; Ferrero Russia, CJSC; FM Logistic; GE (General Electric International (Benelux) B.V.); GROUPE SEB-VOSTOK ZAO; Henkel Rus OOO; Hitachi Construction Machinery Eurasia Sales Limited Liability Company; IKEA Centres Russia; Imperial Tobacco Sales and Marketing; JCB Sales Limited; John Deere Rus, LLC; Komatsu CIS, LLC; Legrand Group; Merck LLC; Michelin; Nestle Rossiya LLC; Nike; Noerr OOO; Nokia Networks; Nokian Tyres Ltd; Oriflame; PBN Hill+Knowlton Strategies; Philip Morris Sales and Marketing; Philips LLC; Procter & Gamble; Rockwool; SCA HYGIENE PRODUCTS RUSSIA LLC; Scania-Rus LLC; Schneider Electric; SCHNEIDER GROUP; SECRETAN TROYANOV SCHAER S.A.; VEGAS LEX Advocate Bureau; Volvo Cars LLC.	
NUMBER OF COMMITTEE MEETINGS	6	
AEB OPEN EVENTS	AEB events	Event date
	Technical Regulation and Conformity Assessment in the EAEU and EU: Prospects for Approximation	8 November 2016

COMMITTEE ACTIVITIES, 2016

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

In 2016 the Committee continued to focus on issues related to standardisation, accreditation, conformity assessment, market surveillance, and the harmonisation of the industrial technical regulations of the Customs Union, representing the maximum interest for business, with the corresponding European documents.

On 27 April 2016, Committee members held a meeting with independent experts from the European Commission who assessed the work of the EU Project "Approximation of the EU and RF Technical Regulation and Standardisation Systems. The Committee members stressed the importance of the project and expressed their hope that the project would be ongoing in 2017.

On 20 July 2016, Committee members held a meeting with representatives of the technical regulation department of the Eurasian Economic Commission (EEC). They discussed various problems related to the application of certain provisions of the technical regulations of the Customs Union that bring about an ambiguous interpretation on the part of the national regulators, supervisory authorities and market participants.

On 8 November 2016, the Committee held the conference: "Technical Regulation and Conformity Assessment in the EAEU and EU: Prospects for Approximation". The key issues of the discussion were product conformity assessment, market surveillance, accreditation, safety and energy efficiency, the practical application of the technical regulations of the Customs Union and the EAEU, technical barriers, and its comparison to similar EU regulations.

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

REAL ESTATE COMMITTEE

<p>AIMS</p>	<ul style="list-style-type: none"> • To facilitate the exchange of information regarding real estate and development issues in Russia • To exert an influence on the existing procedures in order to increase the attractiveness of foreign investment • To establish a "bridge" between the AEB, Moscow Government, State Duma and other relevant governmental bodies 	
<p>CHAIRPERSON</p>	<p>Filippo Baldisserotto, General Director, Stupino 1 Industrial Park</p>	
<p>AEB MEMBER COMPANIES</p>	<p>1Forma; ABB; AERECO S.A. (FRANCE) - Representative Office in Russian Federation; Allianz IC OJSC; ALPE consulting OOO; ALRUD Law Firm; Arup; ASTRON Buildings LLC; Bank Credit Suisse (Moscow); BEITEN BURKHARDT Moscow; BNP Paribas; Borenius Russia; BUREAU VERITAS RUS JSC; CMS; Russia; Crocus International; Debevoise and Plimpton LLP; Deloitte CIS; Dentons; DLA Piper; DuPont Science and Technologies; Egorov Puginsky Afanasiev & Partners (EPAM); EY; GDP Quadrat; Gerald Sakuler; Gide Loyrette Nouel; GOLTSBLAT BLP; Hannes Snellman; IKEA Centres Russia; Immochan; Intermark Relocation; Italcantieri; KPMG AO; LINDNER; Mazars; METRO AG (Germany) Representative office; Noerr OOO; Orange Business Services; P&R Engineering; PBN Hill+Knowlton Strategies; Pepeliaev Group; LLC; Porsche Russland; PwC; Radius Group; Repsol Exploracion S.A.; Rödl & Partner; Ruukki Construction; Saint-Gobain CIS; SCHNEIDER GROUP; Siemens LLC; Spectrum holding Ltd.; Sponda Russia; Stupino 1 Industrial Park; TMF Group; VEGAS LEX Advocate Bureau; YIT Construction.</p>	
<p>NUMBER OF COMMITTEE MEETINGS</p>	<p>4</p>	
<p>AEB OPEN EVENTS ORGANISED (participation in open sessions was exclusively on invitations)</p>	<p>AEB events</p>	<p>Event date</p>
	<p>Open event "Foreign Currency Lease"</p>	<p>28 April 2016</p>
	<p>Networking event</p>	<p>26 May 2016</p>
	<p>Annual Conference: "Real Estate Day 2016"</p>	<p>22 September 2016</p>
	<p>Networking event</p>	<p>14 December 2016</p>
	<p>Round table on sustainable and energy efficient offices together with the AEB Energy Efficiency Committee</p>	<p>01 December 2016</p>
	<p>Open event: "Taxation of Real Estate: the New Regulation"</p>	<p>16 December 2016</p>

COMMITTEE ACTIVITIES, 2016

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

The Real Estate Committee has three primary objectives around which its activities are structured: to facilitate the exchange of information regarding real estate and development issues in Russia; to exert and influence on the exist-

ing procedures in order to increase the attractiveness of foreign and domestic investment; and to establish a “bridge” between the AEB, Moscow Government; State Duma and other relevant governmental bodies.

On 1 December 2016, the AEB Real Estate Committee together with the Energy Efficiency Committee held a roundtable on sustainable and energy efficient offices.

In 2016 the Committee members organised several major events:

- Foreign Currency Lease
- Taxation of Real Estate: New Regulations
- Networking Events
- Annual Conference "Real Estate Day 2016"
- Round Table “Sustainable Office – Comfort & Energy Efficiency” Together with Energy Efficiency Committee

Together with the AEB North-Western Regional Committee, the Real Estate Committee continued to publish its magazine “The Real Estate Monitor” on a quarterly basis.

RETAIL TRADE COMMITTEE

AIMS	<ul style="list-style-type: none"> • To provide support to AEB member companies operating in Russian trade • To serve as a platform for dialogue between member companies and other stakeholders on relevant topics • To develop a common industry position on selected issues • To lobby for industry interests among various stakeholders • To keep member companies informed about important issues
CHAIRPERSON	Alexey Grigoriev , Vice President, METRO AG
DEPUTY CHAIRPERSON	Anna Meleshina , Public Relations and Government Affairs Director, Lenta LLC
AEB MEMBER COMPANIES	ATAK; Auchan; H&M Hennes & Mauritz LLC; IKEA Shopping Centres Russia; Lenta LLC; LEROY MERLIN Russia; M.Video; METRO AG; OBI Russia; Stockmann ZAO.
NUMBER OF COMMITTEE MEETINGS	9

COMMITTEE ACTIVITIES, 2016

The AEB Retail Trade Committee was established in 2010. Almost all the biggest international market players are members of the committee. The Committee deals with a number of sensitive industry issues affecting the activities of foreign retailers operating on the Russian market. The issues considered in 2016 included trade law, the alcohol trade (EGAIS in the wholesale sector), the federal law on state and municipal control, the quality system, waste management, the federal law on the special assessment of labour, electronic document interchange (EDI), parallel imports, cross-border e-commerce, and others.

In 2016 the Committee members had several meetings with governmental officials and experts such as:

- Denis Pak, Head of the Department of Internal Trade, Light Industry and Consumer Market of the RF Ministry of Industry and Trade;
- Andrey Danilenko, Ombudsman for the Protection of the Entrepreneur Rights in Trade Regulation;
- Igor Artemiev, Head of the RF Federal Antimonopoly Service;
- Anatoly Aksakov, Chairman of the State Duma Committee on Economic Policy, Innovative Development and Entrepreneurship;
- Maxim Protasov, Head of the Russian Quality System Agency;
- Igor Chuyan, Head of the Federal Service for Alcohol Market Regulation;
- Oleg Prusakov, Director of the Consumer Rights Protection Department, Rosпотребнадзор;
- AEB member companies and AEB experts.

On 20 October 2016, the AEB Retail Trade Committee together with the Taxation Committee held a business breakfast to discuss the amendments to trade law.

On 7 December 2016, the AEB Retail Trade Committee held a meeting with some international online trade operators with regard to possible cooperation on online trade regulation in Russia. The Committee decided to set up a special working group comprising all interested AEB members and non-members.

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

SAFETY, HEALTH, ENVIRONMENT & SECURITY COMMITTEE

<p>AIMS</p>	<ul style="list-style-type: none"> • To promote international Safety, Health, Environment and Security (SHES) standards and best practices among the companies operating in Russia and enhance information exchange between European and Russian business through a common platform • To lobby for the Committee's position on the current state and proposed changes to Russian SHES legislation through channels established by the AEB and in cooperation with other business associations • To provide AEB members with regular updates on the key issues concerning the development of and prospects for SHES 	
<p>CHAIRPERSON</p>	<p>Valery Kucherov, Partner, ERM Eurasia, Moscow Branch</p>	
<p>DEPUTY CHAIRPERSON</p>	<p>Mikhail Divovich, General Director, ECOTEAM</p>	
<p>AEB MEMBER COMPANIES</p>	<p>ABB; ALRUD Law Firm; Alstom; Avon Beauty Products Company LLC; Awara; BASF; BEITEN BURKHARDT Moscow; BP; Boehringer Ingelheim LLC, Control Risks; Corporate Counselling Services Sarl; Corporate Health LLC; Creditreform RUS; CRH; Deloitte; Deutsche Bank Ltd.; DHL Express; DuPont Science and Technologies; E.ON SE; ECOTEAM LLC; Egorov Puginsky Afanasiev & Partners (EPAM); Elite Security GmbH; Enel Russia OJSC; ERM (Environmental Resources Management); FENICE RUS LLC; Fircroft; GRATA Law Firm; Guard-R; HeidelbergCement RUS; IKEA Shopping Centres Russia; International Road Transport Union, Permanent Delegation to Eurasia; International SOS; John Deere Rus LLC; Komatsu CIS; Linklaters CIS; Manpower Group; Michelin; MIG Business Security Strategies; Noerr OOO; Nokia Solutions and Networks; Norton Rose Fulbright (Central Europe) LLP; Novartis Group; Orange Business Services; Orion Pharma LLC; Pepeliaev Group LLC; PwC; Repsol Exploracion S.A.; RichartsMeyer; Risk Advisory Group Plc.; Robert Bosch; Rockwool; Saint-Gobain CIS; Sanofi Russia; Schneider Electric; SGS Vostok Limited; Shell Exploration and Production Services (RF) B.V.; Statoil ASA; TNT Express Worldwide (CIS) Ltd.; Toyota Motor OOO; VISA; Wienerberger.</p>	
<p>NUMBER OF COMMITTEE MEETINGS</p>	<p>12</p>	
<p>AEB OPEN EVENTS ORGANISED (participation in open sessions was exclusively on invitations)</p>	<p>AEB events</p>	<p>Event date</p>
	<p>Best practices in health and safety in Russia</p>	<p>22 March 2016</p>
	<p>Russian climate policy: developments and prospects</p>	<p>5 April 2016</p>
	<p>Corporate investigations: how to avoid mistakes</p>	<p>18 May 2016</p>
	<p>Best practices in health and safety in Russia</p>	<p>1 June 2016</p>
	<p>Carbon pricing: models, issues and proposals</p>	<p>6 July 2016</p>

AEB OPEN EVENTS ORGANISED (participation in open sessions was exclusively on invitations)	Waste management: the new Russian waste legislation and its practical steps	29 September 2016
	Modern cyber trends & threats	14 October 2016
	Best practices in health and safety in Russia	23 November 2016
	Security audits	24 November 2016
	AEB external events	
	Participation in the 6th Northern Dimension Forum (St. Petersburg), Session: Ecology and Cleantech	7 April 2016
	Committee members participated in the work of experts group on amendments to the employees medical checks legislation in the Ministry of Healthcare	March–June 2016

COMMITTEE ACTIVITIES, 2016

The Committee is composed of a number of companies specialising in various areas such as environmental protection, health & safety, security & risk management. The Committee is divided into 4 subsections – the Security Subcommittee, the Environmental Subcommittee, the Health & Safety Subcommittee, and the Climate Policy Working Group. The latter was established in May 2016 following the discussions held among interested AEB member companies.

In 2016 all the subcommittees were active and organised 10 open events. The Security Subcommittee held 3 open events, the Environmental Subcommittee held 1 big conference on the implementation of the waste management regulations, the Health & Safety Subcommittee held 4 events, and the newly created Climate Policy Working Group held 2 roundtable meetings.

The Committee worked on enhancing cross-committees activities as well as cooperation with representatives of the state authorities. In April 2016, the Committee held a joint session with the Energy Efficiency Committee on Russian Climate Policy: Developments and Prospects. Representatives of the State Duma Environmental Committee took part in the meetings of the Environmental Subcommittee.

The Committee wrote lobbying letters on issues that were of particular importance for its members, including employee medical checks and amendments to climate policy legislation.

SEED COMMITTEE

AIMS	To represent the interests of member companies based on a consolidated position on the key issues related to seed breeding, production and commercialisation through cooperation with government bodies, public organisations, branch associations and unions to create and maintain a favourable climate for business
CHAIRPERSON	Vladimir Druzhina , Regional Director East Europe, Corn and Oil Crops, KWS
DEPUTY CHAIRPERSON	Denis Zhuravskiy , Head GR, Syngenta
AEB MEMBER COMPANIES	Bayer; KWS; Limagrain; Monsanto; Pioneer; Syngenta
NUMBER OF COMMITTEE MEETINGS	6

COMMITTEE ACTIVITIES, 2016

One of the key events of the year was the press conference "The results of 2016 agricultural year for seed and CPP producing companies: modern technologies for increasing the productivity of the Russian agriculture" (together with the Crop Protection Committee). It focused on the presentation of new technologies and investment projects, and support for the new technologies and products that the companies provide for their customers - Russian farmers (training and information programs, field days, agricultural technologies days, and others). The press conference clearly demonstrated the significant contribution made by international producers of seeds and CPP to Russian agriculture.

SMALL AND MEDIUM-SIZED ENTERPRISES COMMITTEE (SME)

<p>AIMS</p>	<ul style="list-style-type: none"> • Definition of the specific needs of small and medium-sized European businesses operating on the Russian market • Growth of the SME sector through addressing administrative barriers for SMEs and the provision of a platform for information exchange • Promotion of fair business rules by leveraging ethical and efficient inter-company partnerships between SMEs and other AEB companies • Improvement of the working conditions for SMEs in Russia as a driving force for modernisation • Institutionalisation of AEB inter-committee communication in order to bring up appropriate issues at the SME Committee discussions and provide problem solving recommendations 	
<p>CHAIRPERSON</p>	<p>Orlin Efremov, Managing Partner, Performance Partners Ltd.</p>	
<p>DEPUTY CHAIRPERSON</p>	<p>Alex Medlock, Regional Director, CIS & Nordic Regions, TMF Group</p>	
<p>AEB MEMBER COMPANIES</p>	<p>ABBYY LS; AB Services; ALRUD Law Firm; Alinga Consulting; Antal Russia; Banca Intesa; Center-Invest Bank; Chadbourne & Parke LLP; Citibank ZAO; Corporate Health Ltd; Creditreform RUS LLC; CTN Group; Dentons; DHL Express; DoubleTree by Hilton Moscow-Marina Hotel; EY• NVESTMENT COMPANY IC RUSS-INVEST; Intermark Relocation; IWM; Foodcard; Lieu Commun Group; LegaLife Law Firm; Marsh insurance brokers ZAO; Move One INC; Mazars; Messe Frankfurt Ltd; Nordea Bank; Performance Partners LLC; Publicity Consulting Group; Oriflame; PwC; Renaissance Moscow Monarch Centre Hotel; RH PRTNERS; Rödl & Partner; SCHNEIDER GROUP; SECRETAN TROYANOV SCHAER S.A.; Stupino 1 Industrial Park; TABLOGIX; TMF Group; UPS SCS (CIS); Troika Relocations Ltd.; Volvo Cars LLC; VSK IJSC.</p>	
<p>NUMBER OF COMMITTEE MEETINGS</p>	<p>7</p>	
<p>AEB OPEN EVENTS ORGANISED (participation in open sessions was exclusively on invitations)</p>	<p>AEB events</p>	<p>Event date</p>
	<p>"AEB Business Dating"</p>	<p>15 March 2016</p>
	<p>"Corporate culture as a context for employees' and client's loyalty"</p>	<p>19 May 2016</p>
	<p>"Sharing best practices in solving regulatory changes"</p>	<p>9 November 2016</p>

COMMITTEE ACTIVITIES, 2016

In March 2016, the Committee organised its business networking event – “AEB Business Dating” designed on a model of the speed business meetings with pre-selected companies and representatives of specific function (management, HR, procurement, communications, logistics, events’ organization) based on pre-assigned match ups. The event was aimed at facilitating the efforts by small and medium-sized companies in establishing contacts with the Russian operating multinational companies. As the format of the speed business meetings gives practical help in accelerating business contacts, and as it is in high demand on the part of SME companies, the Committee will continue this practice.

Another event format on the Committee’s agenda in 2016 was business breakfast meetings. In May 2016, the Committee held its open event - business breakfast “Corporate culture as a context for employee and client loyalty”. The participants of the event discussed the following aspects: corporate culture as a resource, the example of value creation from customer and employee retention, corporate culture as a lead generator, perspectives on corporate culture in a difficult market.

The Committee’s business breakfast “Sharing best practices in solving regulatory changes” took place in November 2016. The event was held in the form of parallel roundtable discussions. During the discussions the following aspects of the issue were raised: recent amendments to trading law – areas for attention from tax and legal entities, regulations on compulsory company bankruptcy (especially for SMEs) for non-profitable business activities; anti-fire regulations and obligations, the consequences of not following them for SMEs.

SOUTHERN REGIONAL COMMITTEE

AIMS	<ul style="list-style-type: none"> • Promoting, strengthening and business reputation of the AEB in the region • Interaction with authorities • Interaction with key non-governmental partners • Creating an effective platform for business communication 	
CHAIRPERSON	Oleg Zharko , Regional Corporate Affairs Director, Danone Russia	
DEPUTY CHAIRPERSONS	Ralf Bendisch , General director, CLAAS Igor Brener , Client HR Manager, Cargill in Russia Lubov Popova , Member of the Directors Board and General director, Gubsky kirpichniy zavod	
AEB MEMBER COMPANIES	Advocates Bureau Yug, AERECO S.A., Allianz IC OJSC, ANCOR, Astron Buildings LLC, Atos, Banca Inteza, Bayer ZAO, BONDUELLE Kouban, Cargill LLC, Centerinvest Bank, Citibank, CLAAS OOO, Danone Russia, DPD in Russia, DuPont Science and Technologies, EY, Gubskiy kirpichniy zavod, IKEA Shopping Centres Russia (MEGA Adygea-Kuban shopping mall), Knauf South sales direction – regional office of Knauf Gips Ltd. (Krasnodar), KPMG, KrasnodarEXPO (Part of The ITE LLC Moscow), KWS RUS LLC, Legrand Group, Limagrain RU LLC, Metlife, Monsanto Rus LLC, Nestle Kuban LLC, OTP Bank, Philip MorrisKuban OAO, Philips LLC, PwC, Raiffeisenbank AO, Rosbank, Siemens LLC, Schneider Electric, Syngenta OOO, Tebodin Eastern Europe B.V., UniCredit Bank AO, VEGAS LEX Advocate Bureau, VSK IOJSC, YIT Construction	
NUMBER OF COMMITTEE MEETINGS	Committee meetings – 2 (56 participants) Steering Group meetings – 6 HR Subcommittee meetings – 6 (33 participants)	
AEB OPEN EVENTS ORGANISED (participation in open sessions was exclusively on invitations)	AEB events	Event date
	Presentation of the Krasnodar region	10 February 2016
	AEB SRC General Meeting in Krasnodar (Elections)	24 March 2016
	8th Annual HR Conference: HR Value Proposition for Business in the New Reality	24 May 2015
	Round table: the Experience of Implementation of Investment Projects with a Visit to the Nestle Kuban Factory	14 October 2016
	Round Table: Flexible Working Arrangements	25 October 2016
	AEB SRC General Meeting in Krasnodar	25 November 2016
	Conference on Social investments of Business: Investments into the Human capital	08 December 2016
	Round table: Practice of Strategic Planning Staff in International Companies	15 December 2016

AEB OPEN EVENTS ORGANISED (participation in open sessions was exclusively on invitations)	AEB external events	
	Supporting the Event of the Chamber of Commerce and Industry of Krasnodar Region: Attraction of foreign capital to the Region. Role of the Acting Foreign Investor	27 May 2016
	Business mission from Lower Saxony in Krasnodar	17 October 2016
	"Export – current environment and prospects"	17 June 2015
	"Business as a social partner of the regional and local community"	23 July 2015
PUBLICATIONS	AEB publications (title, number of pages)	Date
	AEB Southern regional Committee AGM 2016	Summer
	8th annual HR conference of the AEB SRC, Business Quarterly, 1/2	Summer
	Business Breakfast in Krasnodar- Business Quarterly, 1/2	Summer
	Foreign Investment Advisory Council of Krasnodar region- Business Quarterly, 1/2	Summer
	Round table at the investment forum Sochi 2016- Business Quarterly, 1/2	
	Experience of investment projects implementation- Business Quarterly, 1/3	
	Business mission from Lower Saxony in Krasnodar- Business Quarterly, 1/3	
	General AEB Southern Regional Committee Meeting- Business Quarterly, 1/2	
	Position Paper 2017	
	External publications (title, number of pages)	Date
	In Krasnodar has ended the regular course of "Business School" – Yug Times, 1	02,01,2016
	Sergey Altukhov has presented the investment potential of Krasnodar region at the meeting of the Association of European business - Portal of Executive bodies of state power of the Krasnodar region, 1/2	10,02,2016

PUBLICATIONS	Sergey Altukhov has presented the investment potential of Krasnodar region at the meeting of the Association of European business - INFOLine information Agency, 1/2	11,02,2016
	Investment potential of Krasnodar region has been presented at the meeting of the Association of European businesses - Krasnodar Krai, 1/2	11,02,2016
	Oleg Zharko re-elected as a Chairman of the Southern regional Committee - Yug Times, 1/2	28,03,2016
	New stage of the program "new strategies" was launched in Krasnodar - Yug Times, 3	06,04,2016
	HR conference in Krasnodar will take place on May 24th - Yug Times, 1/2	18,05,2016
	Situation in the labour market has been discussed at the meeting in Krasnodar, - Yug Times, 1/2	01,06,2016
	"Business School": continuing... - Yug Times, 1	14,10,2016
	references AEB SRC in articles	
	14-th conference of partner cities of Russia and Germany will be held in Krasnodar in June 2017 – Official Internet portal of administration of municipal formation the city of Krasnodar and City Duma of Krasnodar, 1	18,02,2016
	Yug Times is three years old - Yug Times,- 1/2	22,03,2016
	Prospects of investment climate development in the region was discussed at the round table in Krasnodar-broadcasting company Krasnodar,	25,03,2016
	Yug Times celebrated the third anniversary - Yug Times, 1	30,03,2016
	Consultative Council on foreign investment has resumed the work at Kuban - portal RuFox, 1/2	04,07,2016
	French investors is planning to develop projects in the field of energy and agriculture in the Kuban – Krasnodar Krai, 1	14,07,2016
	We will show projects that Krasnodar region will carry to the forum "Sochi-2016" – Kommersant.ru, 4	23,08,2016

PUBLICATIONS	Foreign investors appreciated the work of the Advisory Council under the Governor of Krasnodar region Kuban news, 2	30,09,2016
	Press, business and government will ensure the Kuban inflow of investments - Yug Times, 2	03,10,2016
	Development strategy up to 2030 was discussed in the Krasnodar region - Bujet.ru, 2	03,10,2016
	Krasnodar region: Strategies for growth - Yug Times, 1	04,10,2016
	Kuban will help investors to grow - Yug Times, 1	09,10,2016
RESEARCH PROJECTS/ SURVEYS (initiated by the Committee)	AEB projects	Date
	Survey of Potential Activities of the AEB in the Rostov region	June 2016

COMMITTEE ACTIVITIES, 2016

The Committee was created in 2003 to ensure that investors are able to utilize the investment opportunities in the region to their fullest potential.

Currently the Committee unites 42 companies: leading foreign investors and international banks that have affiliates operating in the Krasnodar, Rostov-on-Don, Stavropol regions and Adygei republic.

The Southern regional Committee continued carrying out traditional business events, such as HR and Corporate Social Investments conferences, increased the number of activities in the field of HR- issues, continued strengthening of collaboration with universities through the support by the AEB member companies of the Business schools of the Kuban State Technological and Kuban State Agrarian Universities.

In 2016, the companies - members of the AEB Southern Regional Committee took an active part in the work of the Regional Foreign Investments Advisory Council under the Governor of the Krasnodar region. 16 companies out of 18 included in the composition of the Advisory Council are AEB members. Coordinator of working with foreign investors and leaders of the Advisory Council working groups are the representatives of the AEB member companies.

AEB Southern Regional Committee member companies took an active part in the business program of the investment forum Sochi 2016.

In summary Southern regional Committee have become recognized as a leading representative of international companies and investors in the region with high business reputation.

TAXATION COMMITTEE

AIMS	<ul style="list-style-type: none"> • To monitor the development of the tax system in the RF • To inform AEB members on important changes to tax legislation and tax practice • To organise regular meetings, open events and conferences for European and Russian companies • To present the leading international practices in taxation in Russia • To formulate and present the AEB position on taxation issues • To cooperate with governmental bodies on tax issues and tax administration 	
CHAIRPERSON	Dr. Alina Lavrentieva , Partner, PwC	
DEPUTY CHAIRPERSON	Vadim Zaripov , Head of Analytical Department, Pepeliaev Group LLC	
AEB MEMBER COMPANIES	<p>AGRANA Fruit Moscow Region; Akzo Nobel N.V.; Alinga Consulting Group; Alkor and Co; Alrud; Andrey Gorodissky and Partners Law Firm; AstraZeneca Ltd.; Auchan; Baker Botts LLP; Baker & McKenzie CIS Ltd.; Bauke van der Meer; BEITEN BURKHARDT; Boehringer Ingelheim Pharma GmbH; Boiron; BMW Russland Trading OOO; British American Tobacco Russia; Clifford Chance; CMS Russia; Continental Tires RUS; Debevoise and Plimpton; Deloitte; Delonghi; Dentons; Dewey & Le-Boeuf; DHL Express; DLA Piper; DuPont Science & Technologies LLC; Ernst & Young (CIS) B.V.; Egorov, Puginsky, Afanasiev & Partners; Ferrero; Gide Loyrette Nouel; GOLTSBLAT BLP; HSBC; IKB Leasing; IKEA; KIAP; KPMG; L’Oreal; Mazars; Mercedes-Benz Financial Services; Messe Frankfurt Rus OOO; Metro Cash & Carry; M.Video; Nissan Manufacturing; NORD OUTSOURCING; Noerr; OBI Russia; Pavia & Ansaldo; Pepeliaev Group; PwC; Procter & Gamble; Rödl & Partner; Sanofi; Schneider Group; Shell; YUST; Zentis Russland.</p>	
NUMBER OF COMMITTEE MEETINGS	8	
AEB OPEN EVENTS ORGANISED (participation in open sessions was exclusively on invitations)	AEB events	Event date
	Crisis and taxes: current environment and prospects	16 March 2016
	Development of the Russian tax system: results of the first half of 2016 and prospects	29 June 2016
	Trade law amendments: practical aspects	20 October 2016
	Development of the Russian tax system: results of 2016 and prospects	15 December 2016

COMMITTEE ACTIVITIES, 2016

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

In 2016 the Taxation Committee held 8 working meetings and 4 business events which were of great value to all European and Russian executives. In addition to providing highly practical tax information, the Committee provided a platform for exchanging views and obtaining exclusive insights and recommendations from experts. The Committee's events focused on the most important taxation issues such as transfer pricing, VAT on e-commerce, taxation of SPICs, recent changes in tax law, tax administration and enforcement practices. A special event focused on retail taxation was held in October in cooperation with the AEB Retail Trade Committee. Representatives of the Russian Ministry of Finance, Ministry of Economic Development and Federal Tax Service, with whom the Committee has developed longstanding relations, were invited to speak at the meetings and events.

TIRE PRODUCERS COMMITTEE

AIMS	To deal with all issues relevant to the industry and represent the interests of its members in relation to the Russian and European authorities	
CHAIRPERSON	Jaron Wiedmaier , General Director, Continental Tires Rus	
AEB MEMBER COMPANIES	Continental Tires Rus; Goodyear Russia; Michelin; Nokian Tyres; Pirelli Tyre Russia; Yokohama Russia.	
NUMBER OF COMMITTEE MEETINGS	1	
AEB OPEN EVENTS ORGANISED (participation in open sessions was exclusively on invitations)	AEB external events	Event date
	II International Automotive Forum: TIAF 2016 supported by Automechanika, in Kazan	3–5 February 2016
	International Moscow Automotive Forum IMAF 2016, in Moscow	23 August 2016

COMMITTEE ACTIVITIES, 2016

On 13 November 2013, the Tire Producers Working Group was transformed into the separate Tire Producers Committee. Taking into account that the technical regulations of the Customs Union "On the safety of wheeled vehicles" came into force on 1 January 2015, the AEB Tire Producers Committee believes that it is necessary to facilitate the process of the entry into force of the new requirements of the technical regulations and to continue to work on the harmonisation of the technical requirements contained in the various legislative acts of the Russian Federation: the Highway Code, the Administrative Code, the law "On technical inspection" of 2011, etc., and to continue its work on additional amendments to the technical regulations of the Customs Union on the obligatory use of winter tires. Tire manufacturers propose that winter tires are installed on the drive axle for M2, M3, N2, and N3 vehicles starting from 1 January 2017.

The tax nature of recycling payments has not been yet clarified. The new bill "On waste from production and consumption" provides two options for producers and importers: 1) the payment of an ecological fee, or 2) independently, and possibly in an association of producers and importer. Neither of the options makes it possible to carry producer costs over to the production cost or account for them as expenses in order to reduce tax. As a result, these expenses will have to be paid from net profit both for producers and importers. Right now the Committee is actively looking into the possibility of taking into account expenses to reduce the income tax, and if necessary, drafting amendments to the Tax Code.

COATINGS INDUSTRY WORKING GROUP

AIMS	To represent and lobby the interests of companies working in the coatings industry in Russia
CHAIRPERSON	Peter de Groot , General Director, ZAO Hempel
AEB MEMBER COMPANIES	AkzoNobel; Covestro; DSM; Hempel; Lamberti; Nuplex; PPG; Resinex; Solvay
NUMBER OF COMMITTEE MEETINGS	3

COMMITTEE ACTIVITIES, 2016

The Coatings Working Group was established in 2016 with the objective to align the interests of coatings manufacturers in Russia. The working group was engaged in clarifying the implementation of Article 18 of the Federal Law of the Russian Federation dated 31/12/14 No. 488-FZ regarding the priority of products manufactured in the Russian Federation over those manufactured in foreign countries during state procurement giving and consequential decrees and actions. It is in the interest of the members to understand clearly these rules and interpretations so as to create a level playing field between manufacturers.

The creation of equivalent Russian and European standards for testing coating materials and the full implementation of free trade throughout the Eurasian Economic Union for coatings are also of interest to the Working Group.

HOTELS & TOURISM WORKING GROUP

AIMS	The Hotels & Tourism Working Group was established in order to consolidate, coordinate and lobby for the interests of AEB Member companies working in the tourism and hotel industries; to exchange information on best practices and the challenges for business on the Moscow hotels market.
CHAIRPERSON	Armin Eberhard , General Manager, Renaissance Moscow Monarch Centre Hotel
AEB MEMBER COMPANIES	Accor Group; Ararat Park Hyatt Moscow; Azimut Moscow Olympic Hotel; Baltshug Kempinski Hotel Moscow; DoubleTree by Hilton Moscow – Marina Hotel; Intercontinental Moscow Tverskaya Hotel; Marriott Grand Hotel Moscow; Marriott Royal Aurora Hotel; Metropol Hotel Moscow; Radisson Royal Hotel; Renaissance Moscow Monarch Center Hotel; St. Regis Moscow Nikolskaya; Sokotel LLC; Swissôtel Krasnye Holmy Moscow.
NUMBER OF COMMITTEE MEETINGS	9

COMMITTEE ACTIVITIES, 2016

In 2016 the Working Group continued with its productive and informative series of monthly meetings of hotels in the city, exchanging experiences and tackling administrative and market-driven challenges. On 15 June 2016 the AEB Hotels & Tourism Working Group Members held a business breakfast meeting attended by the AEB CEO Dr. Frank Schauff as the guest speaker. Dr. Schauff shared with the WG his vision on current market conditions, further development of the EU-Russia relations, and the AEB's priorities for 2016-2017.

Despite several extensions of the trading restrictions from the EU and the sanctions from the United States directed at the Russian Federation, 2016 showed strong improvements over the last two years in Moscow in the luxury, upscale and mid-scale hotel. The new climate of confidence in volumes and rate improvements allowed a positive outlook towards the end of this year and beyond, adjusting city rates to the new rouble reality to deliver profits and regain value for investors and owners. With the Confederations Cup ahead in summer 2017, Moscow's hotels are preparing contractually and operationally for a strong summer, supported by a recovered conference season and framed by the economic forum in St. Petersburg followed by the football festival, precursor to the World Cup in 2018.

On 19 October 2016 the Chairman of the AEB Hotels and Tourism Working Group, Mr. Armin Eberhard took part in "2018 FIFA World Cup Russia Accommodation Advisory Forum". The purpose of the 2018 Advisory Forum was to bring together key stakeholders who may contribute to the task of delivering a successful Accommodation Programme with a positive and lasting legacy for Russia's tourism industry. Members of the Advisory Forum received high level general information on the preparations for the FIFA Confederations Cup 2017 and the FIFA World Cup but with particular emphasis on all projects intended to optimized the number of international visitors to the 11 FIFA World Cup Host Cities as well as to ensure that a positive impression is created to all those who visit Russia.

On 20 October 2016 the AEB Hotels & Tourism Working Group hold a meeting with the recently appointed Deputy Director of the Department for National Policy, Interregional Cooperation and Tourism at the Moscow City Government Mr. Konstantin Goriainov. The WG confirmed its interest in maintaining the dialogue on the policy pursued by the Moscow City Government in the segment of hospitality and tourism. The WG reconfirmed its interest in aligning activities with the re-organised Moscow Convention Bureau to the representation of Moscow as a first-class meeting, conference, exhibition and congress venue in the world supported by the cooperation and participation of the city's excellent hotel industry and venue market.

WORKING GROUP ON MODERNISATION & INNOVATIONS

<p>AIMS</p>	<ul style="list-style-type: none"> • Assist companies involved in research and development in Russia • Represent the interests of the R&D community and executives in this area • Develop recommendations for regulations and the legal framework in order to improve conditions for foreign interests • Exchange information between companies on modernisation and innovative trends in Russia, various international practices and political methods and their application in Russia • Share experience regarding collaboration with Russian innovation and educational centres, intellectual property, commercialisation of innovation, and production of prototypes • Attract sources of innovation and human resources, including through the identification of opportunities to raise capital through Russian and foreign financing channels 	
<p>CHAIRPERSON</p>	<p>Michael Akim, Vice President, ABB Russia</p>	
<p>DEPUTY CHAIRPERSON</p>	<p>Aage V. Nielsen, Managing Director & Senior Partner, Vitus Bering Management Ltd.</p>	
<p>AEB MEMBER COMPANIES</p>	<p>ABB; American Institute of Business & Economics; BearingPoint OOO; Deloitte; Detecon International GmbH; DuPont Science and Technologies; Enel Russia; EY; Finnish-Russian Chamber of Commerce; Fortum OYJ; Gasunie; GE (General Electric International (Benelux) B.V.); Google; Hannes Snellman; IKB Leasing ZAO; Johnson Matthey PLC; Jungheinrich Lift Truck; KIAP, Attorneys at Law; Mitsubishi Electric Europe B.V. (the Netherlands) Moscow Branch; MMC Rus LLC; Noerr OOO; Non-profit partnership: Industry Roundtable for Cooperation with the EU; Nordea Bank; Philips LLC; Saint Gobain CIS; Schneider Electric; Schneider Group; Siemens LLC; Solvay S.A.; Tablogix; Tekes - Finnish Funding Agency for Technology and Innovation; United Technologies International Operations; Vitus Bering Management Ltd.</p>	
<p>NUMBER OF COMMITTEE MEETINGS</p>	<p>2</p>	
<p>AEB OPEN EVENTS ORGANISED (participation in open sessions was exclusively on invitations)</p>	<p>AEB events</p>	<p>Event date</p>
	<p>Presentation of the Agency of Technological Development: Opportunities and mechanisms for cooperation</p>	<p>20 September 2016</p>
<p>Open meeting dedicated to the topic: R&D and innovations - cooperation between business and science</p>	<p>6 December 2016</p>	
	<p>Roundtable meeting: The development of scientific and technical innovative and creative potential among young people: prospects for cooperation</p>	<p>14 December 2016</p>

AEB external events		
AEB OPEN EVENTS ORGANISED (participation in open sessions was exclusively on invitations)	Roundtable meeting: Robotisation, industrial automation and IOT – old problems, new solutions, Innoprom 2016, Ekaterinburg	12 July 2016
	Session: Technological aspects of joining the Asian Super Ring, Open Innovations Forum 2016, Skolkovo	27 October 2016

COMMITTEE ACTIVITIES, 2016

On 12 July 2016, the AEB held its roundtable meeting: Robotisation, industrial automation and IOT – old problems, new solutions, together with the International Federation of Robotics (IFR) at Innoprom 2016. The keynote speakers included Gleb Nikitin, First Deputy Minister of Industry and Trade; Alexey Texler, First Deputy Minister of Energy; Andreas Bauer, Chairman of the IFR Robot Supplier Committee; Ralf Bendisch, CEO, Claas; Alexander Verl, Chairman of the Research Committee of the International Federation of Robotics, Full Professor and Head of the Institute for Control Engineering of Machine Tools and Manufacturing Units (ISW), University of Stuttgart; Ramesh Nimmagadda, Professor, IIT Madras; Boris Melenevsky, Chief Architect, SAP. On 12 July 2016, Ruslan Kokarev took part in a meeting with Denis Manturov, Russian Minister of Industry and Trade, with international business representatives, CEOs of leading industrial companies and heads of foreign chambers of commerce and professional associations working in the Russian Federation. The meeting participants raised the most important issues concerning their work in Russia. Representatives of AEB member companies were also among the participants of this high level meeting. For the third year in a row the AEB supported Innoprom. The forum's main topic in 2016 was the Industrial Net. The combination of INDUSTRY+INTERNET is one of the main drivers behind the new industrial revolution that will facilitate the creation of highly efficient digital production facilities. Russia's top government officials and heads of major international industrial companies discussed the Industrial Net at the main strategic session of INNOPROM.

On 20 September 2016, the AEB held the presentation of the Agency of Technological Development (ATD): Opportunities and mechanisms for cooperation. The agency was represented by Maxim Shereykin, Chief Executive Officer, Agency of Technological Development. The agency aims to help Russian companies implement world-class technology solutions in order to achieve the competitiveness of domestic products. The agency is involved in international technological expertise, the provision of a supermarket of modern technological solutions, the search and transfer of global breakthrough technologies, the technological upgrade of Russian companies; the development of a supplier base for big companies. Its priority sectors are mechanical engineering, the agro-industrial sector, pharmaceutical and medicine, the construction industry, energy saving and energy efficiency projects, petrochemical, information and communication services.

On 27 October 2016, the AEB held its session: Technological aspects of joining the Asian Super Ring at the Open Innovations Forum 2016. The session was organised by the Working Group on Modernisation & Innovations and was moderated by Michael Akim, Chairman of the working group, Vice President, ABB Russia. The speakers were Elena Gorchakova, Executive assistant of the Minister, Ministry for the Development of the Russian Far East; Bo Nilsson, Head of Sales Middle East Africa, ABB AB, Sweden; Alexander Sergeev, En+ Group; and Alexey Ponomarev, Vice President for Strategy and Relations with Industry, Skoltech. The aim of the session was to discuss and analyse the measures required to implement the energy ring project, which would connect Russia, China, South Korea and Japan. This project was recently proposed by Russian President Vladimir Putin. This year the forum took place in Skolkovo Technopark. On 26–28 October 2016, it hosted more than 90 various events organised in an interactive format: from panel discussions, presentations and lectures to workshops, pitch sessions and hackathons.

The AEB WG on Modernisation & Innovations assisted in the organisation of the AEB meeting with Robert-Jan Smits, Director-General of DG Research & Innovation at the European Commission, which took place on 11 November 2016. The aim of the meeting was for Mr. Smits to hear not only the views of European business on the general economic climate in Russia but also the prospects for developing research & innovation focused cooperation, utilising Europe's and Russia's intellectual and scientific capital and technological complementarities. Companies also discussed with Mr. Smits the general framework conditions for carrying out R&D activities in and with Russia.

On 6 December 2016, the AEB Working Group on Modernisation & Innovations held an open meeting dedicated to the topic: R&D and innovations: cooperation between business and science. The aim of the meeting was to discuss and share experience of cooperation between European companies and Russian research institutes and universities in Russia. Interested AEB members were informed about business prospects and opportunities for cooperation in science, technology and innovation.

Myron Wasylyk, PBN Hill+Knowlton Strategies, CEO – Russia, Ukraine, Kazakhstan & CIS, provided a comprehensive review of the research on innovation in Russia which outlined the prospects, challenges and drivers for the development of innovation in Russia. Dr. Andreas Gut, State Secretariat for Education, Research and Innovation SERI, Switzerland, shared the experience of Swiss innovative companies and their international cooperation under the inter-governmental EUREKA initiative. Alexander Tkachev, Head of the National Eureka Project Office, Centre of Innovation Technologies and Engineering of Moscow Technological University, elaborated on the structure and essence of the EUREKA programme and talked about the opportunities for Russian companies to take part in this intergovernmental program. Richard Burger, Research & Innovation Counsellor, Head - Science & Technology and other EU Policies Section, Delegation of the European Union to the Russian Federation, presented the first results and examples of the participation of Russian players in EU's Horizon 2020 programme. Jens Perregaard, General Director at Haldor Topsoe, presented a vivid example of the Topsoe approach to engaging with Russia via science.

On 14 December 2016, the AEB WG on Modernisation and Innovations together with the AEB PR-Committee held a roundtable meeting: The development of scientific and technical innovative and creative potential among young people: prospects for cooperation. The aim of the event was to inform AEB members on possible cooperation in the development of scientific and technical innovative and creative potential among young people, linking industrial companies and graduates of the professional education system. The roundtable meeting was moderated by Michael Akim, Chairman of the AEB WG on Modernisation & Innovations, Vice-President, ABB Russia. Ivan Bortnik, Member of the Supervisory Board of the Association of Innovative Regions of Russia, Head of the Department of Innovation Management, Higher School of Economics, spoke on the creation of educational centres for talented and gifted children (including the Sirius Centre and others) and invited the AEB member companies to bridge the dialogue between Russian and European talented children and to share their experiences with the younger generation. Victoria Soboleva, Director of the Organising Committee of the International Festival of Children's and Youth Scientific and Technical Creativity Ot Vinta!; Chair of the Commission on the development of children's and youth scientific and technical creativity of the Public Council under the RF Ministry of Industry and Trade, informed the participants about opportunities for cooperation with the Ot Vinta youth festival which was established to promote the creative and innovative potential of children and young people. Elena Voskoboynikova, Deputy Director of the Department for marketing and partnerships, WorldSkills Russia, talked about the young professionals movement WorldSkills Russia and the possibilities for cooperation in the development of vocational education and enhancement of the prestige of working professions. Vladimir Frolov, Director of the Department of Programmes for the Management and Modernisation of the Moscow Polytechnic University's campuses, talked about student competitions in the field of energy efficiency and the promising ways to develop innovative creativity among young people. Sanofi's experience in working with talented youth in business was presented by Ivan Burkov, Product Planning Manager, Sanofi Eurasia, and Elena Zdanova, Recruitment Project Manager, Sanofi Eurasia.

TOBACCO PRODUCTS WORKING GROUP

AIM	To promote the interests of AEB member companies in the tobacco production sector through governmental liaison and advocacy activities
CHAIRPERSON	Sergey Kiselev , Vice President for Corporate Affairs and Communications, JTI Russia
AEB MEMBER COMPANIES	British American Tobacco Russia; Imperial Tobacco Sales and Marketing; JTI Russia; Philip Morris Sales & Marketing.
NUMBER OF COMMITTEE MEETINGS	7

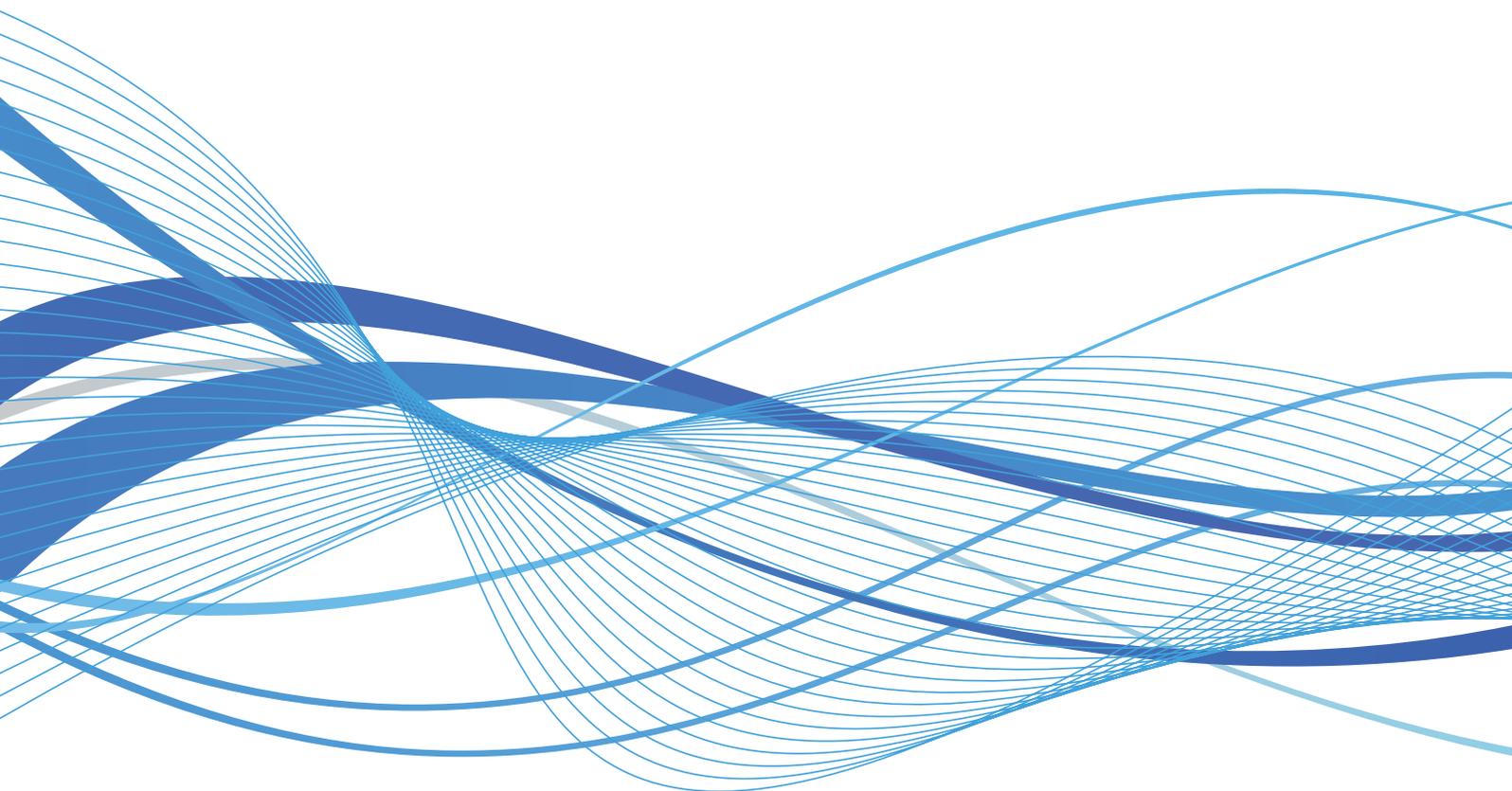
COMMITTEE ACTIVITIES, 2016

In 2016, the WG activities were focused on aligning and presenting to relevant stakeholders the WG's position on the following issues:

- excise policy;
- protection of tobacco producers' intellectual property rights;
- introduction of track and trace system;
- regulation of electronic nicotine and non-nicotine delivery systems.

Financial Statements & Membership Statistics

2016



FINANCIAL STATEMENTS

Consolidated statement of Financial position as of December 31, 2016

	December 31, 2016 (in EUR'000)	2015 (in EUR'000)
ASSETS		
Non-Current Assets		
Intangible assets	47	33
Property, plant and equipment	35	47
Deferred tax assets	4	5
Total Non-Current Assets	86	85
Current Assets		
Trade and other receivables, including:	138	104
Trade receivables	23	32
Advances paid	73	72
Other debtors	42	0
Cash and cash equivalents	1.677	2.028
Investment in short term deposits	1.400	500
Other current assets	43	38
Total Current Assets	3.258	2.670
Total Assets	3.344	2.755
UNRESERVED FUND BALANCE AND LIABILITIES		
Unreserved Fund Balance	1.505	1.194
Current Liabilities		
Prepaid membership fees	1.563	1.312
Payroll and taxes payable	93	89
Trade and other payables	183	159
Total Current Liabilities	1.839	1.561
Total Unreserved Fund Balance and Liabilities	3.344	2.755

Consolidated Statement of comprehensive income for the year ended December 31, 2016*

	2016 (in EUR'000)	2015 (in EUR'000)
Membership fees	2,384	2,175
Events	195	327
Projects	342	330
Publications	10	16
Other revenues	59	60
Total revenues	2,990	2,908
Expenditures, net	(2,562)	(2,742)
Excess of revenues over expenditures before tax	428	166
Share of profit/loss from associate	(3)	-
Income tax expense	(32)	(96)
Net excess of revenues over expenditures after tax	396	70
Foreign currency translation difference	(424)	278
Total comprehensive income/(loss) for the year	(28)	348

* As audited by the Independent Auditor Alinga Consulting Group.



MEMBERSHIP STATISTICS

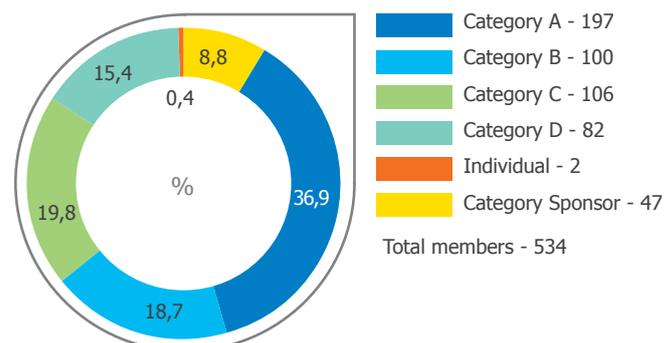
AEB Members by Country

In 2016, the AEB had 534 members.

Country EU/EFTA	Total Quantity
Austria	13
Belgium	9
Croatia	2
Cyprus	11
Czech Republic	3
Denmark	11
Finland	31
France	59
Germany	97
Hungary	6
Ireland	5
Italy	25
Luxembourg	2
Malta	1
Netherlands	34
Norway	3
Slovakia	1
Spain	7
Sweden	20
Switzerland	17
UK	61
Total: 418	

Country Non-EU/EFTA	Total Quantity
China	1
Israel	1
Japan	12
Republic of Korea	7
Russia	62
Singapore	1
Turkey	1
USA	31
Total 116	

AEB Members by Category, 2016





Insurance and Pensions

Banking Insurance and Pensions
Machine Building
& Engineering

Connective. Human Resources
Health and Pharmaceuticals
Finance and Investments

Effective. IT and Telecom
Commercial Vehicle Producers

Energy Agribusiness
Intellectual Property
Home Appliance Taxation

Informative. Real Estate
Small and Medium-Sized Enterprises
Migration

Real Estate Small and Medium-Sized Enterprises
Home Appliance

Construction Equipment
Home Appliance
Construction Equipment

WE HAVE BEEN SUPPORTING
EUROPEAN COMPANIES IN RUSSIA SINCE 1995

