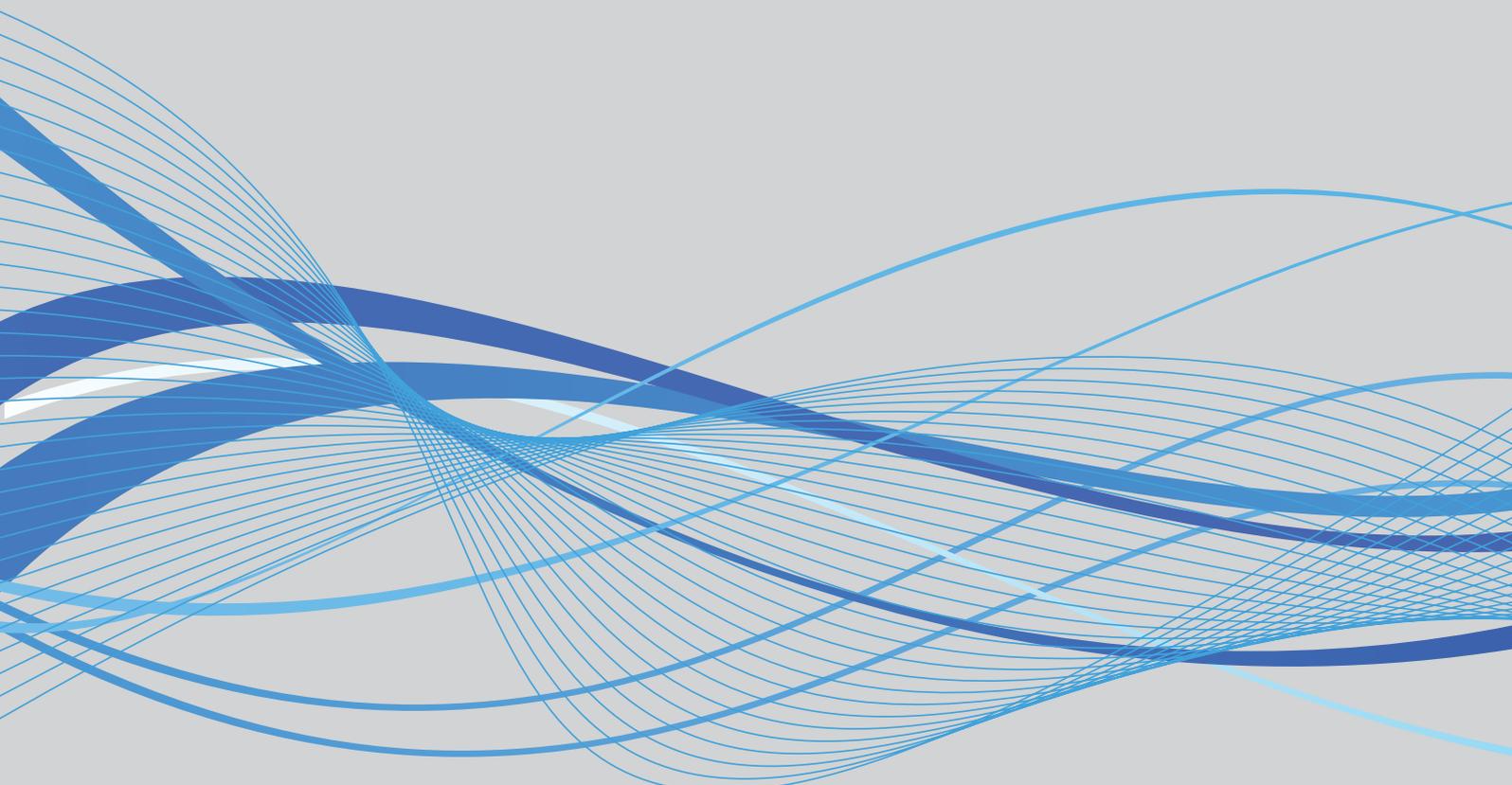




Association  
of European  
Businesses

# ANNUAL REPORT

## 2014



# AEB SPONSORS 2014

Allianz IC OJSC	Mercedes-Benz Russia
Alstom	Merck LLC
ASAP Transportation Company LLC	Messe Frankfurt Rus OOO
Atos	MetLife
Awara Group	METRO AG
Bank Credit Suisse (Moscow)	Michelin
BP	MOL Plc
BSH Group	Novartis Group
Cargill Enterprises Inc.	OBI Russia
Caverion Elmek OOO	Orange Business Services
Clifford Chance	Oranta
Continental Tires RUS LLC	Oriflame
Crocus International	Pepeliaev Group LLC
Deloitte	PwC
DHL	Procter & Gamble
DuPont Science & Technologies	Raiffeisenbank ZAO
E.ON Global Commodities SE	ROCA
Enel Russia OJSC	Shell Exploration & Production Services (RF) B.V.
Eni S.p.A.	Statoil ASA
EY	Stupino 1 Industrial Park
GDF SUEZ	Telenor Russia AS
Gestamp Russia	TMF Group
HeidelbergCement	Total E&P Russie
ING Commercial Banking	Volkswagen Group Rus OOO
John Deere Agricultural Holdings Inc.	Volvo Cars LLC
KPMG	VSK
LEROY MERLIN Russia	YIT Rakennus Representative Office
MAN Truck & Bus AG	YOKOHAMA RUSSIA LLC

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**Philippe Pegorier**

Chairman of the Board,  
Association of European  
Businesses



**Frank Schauff**

Chief Executive Officer,  
Association of European  
Businesses

## DEAR AEB MEMBERS,

The Association of European Businesses (AEB) is considered to be the strongest foreign business association in the Russian Federation. We are honoured to collaborate closely with the European and Russian authorities as well as with the Eurasian Economic Commission.

As the crisis outburst in 2014, the AEB continued its work in such challenging times, appealing iteratively to the EU, US, Ukrainian and Russian governments with proposals to develop a new policy capable to bring the sanctions exchange to its end promptly and relief the tensions between all the parties involved. Since that time, the AEB has been standing against the sanctions and limitations imposed by the European Union and Russia and underlining what consequences for both sides this may lead to.

During 2014, the AEB organised numerous events which were covered by both Russian and foreign media, and among them were Russian: 1 Channel, Interfax, Izvestia, Kommersant, RBC, RBC-TV, Russia Today, TASS, The Moscow Times, Vedomosti, and foreign: Bloomberg, BILD-Zeitung, Der Spiegel, Deutsche Welle, Die Welt, DWN, El Mundo, El Pais, Euronews, Europa Press, Financieele Dagblad, Handelsblatt, La Tribune, Le Figaro, Le Monde, Les Echos, RFI, Thomson Reuters, Uutispäällikkö, Wirtschaftsblatt (Aurtriche), Yle and others.

The Association has been very active in lobbying the European and Russian authorities on the anti-crisis measures taken by the government, the changes in the customs sector, automobiles and agricultural machinery and many other developments. Likewise, the one-window application procedure for visas and work permits is important. Last year was the time to improve this procedure and the results are evident.

The AEB greatly appreciates the way in which the opinions and views of the AEB are taken into consideration by the authorities at the highest levels. The AEB experts have been participating actively in submitting comments on the draft laws being developed by the Russian authorities, and we aim to work harder on this in 2015.

We would like to express our gratitude to the members of the Board, the Council of National Representation and the Auditing Commission. It is no secret that AEB's success as an organisation depends to a large extent on the work of its committees and we thank sincerely all Committee Chairpersons and their Deputies for their conscientious work in representing and promoting the interests of AEB member companies, and for their commitment to forging stronger economic links between the EU and Russia.

No matter what stumble blocks may arise or how hard times may be, the Association of European Businesses will do its best to represent and advocate the interests of its members!

## THE ASSOCIATION OF EUROPEAN BUSINESSES (AEB)

- was founded in 1995 by a number of companies operating in the Russian market, ambassadors of the EU member countries and the head of the European Commission's Representative Office in the Russian Federation;
- includes over 600 European companies active in Russia, from small-size newcomers to major multinational corporations from all countries of Europe. 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 favourable image of Russia abroad to improve the business development conditions inside the country and attract foreign investors;
- annually organises some 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. Members of the Association promote their interests via participation in various committees. There are currently over 40 committees and working groups representing companies from various industries. The AEB committees include the Agribusiness Committee, Airline Committee, Automobile Manufacturers Committee, Automotive Components Committees, Banking Committee, Crop Protection Committee, Energy Committee, as well as the Energy Efficiency Committee, IT & Telecom Committee, Insurance & Pensions Committee, Health & Pharmaceuticals Committee, Machine Building & Engineering Committee, Finance & Investments Committee, Legal Committee, Migration Committee, Human Resources Committee, Taxation Committee, Customs & Transport Committee, Real Estate Committee, Safety, Health, Environment and Security Committee and others.

**Lobbying.** The Association promotes its members' interests by closely cooperating with the RF and the EU authorities and holding regular consultations with relevant officials. 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.

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

#### **Moscow** (Head Office)

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127473 Moscow  
Tel.: +7 (495) 234 27 64  
Fax: +7 (495) 234 28 07  
Email: info@aebrus.ru

#### **Saint Petersburg**

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194044 St. Petersburg  
Tel.: +7 (812) 458 58 00

#### **Krasnodar**

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

## MEDIA RELATIONS

The number of press-contacts has increased substantially through the development of AEB press-relations. Press-contacts include federal Russian media (1 Channel, Interfax, Izvestia, Kommersant, NTV, RBC, RBC-TV, Russia Today, TASS, The Moscow Times, Vedomosti, etc.), regional media (specifically the North-Western region media contacts – St. Petersburg and Southern region press-contacts, as well as the Sverdlovsk, Tyumen, Stavropol regions and Tatarstan Republic), international and national foreign media such as: Bloomberg, BILD-Zeitung, Caijing, Der Spiegel, Deutsche Welle, Die Welt, DWN, El Mundo, El Pais, Euronews, Europa Press, La Tribune, Le Figaro, Le Monde, Les Echos, Financieele Dagblad, Handelsblatt, RFI, Thomson Reuters, Uutispäikkö, Wirtschaftsblatt (Autriche), Yle and others.

**Press-conferences.** In 2014 the AEB Communications department organised several big press-conferences, such as the traditional Automobile Manufacturers Committee press-conference (15 January 2014); the Press Reception (30 January 2014); the 5th Northern Dimension Forum (3 April 2014); the briefing by the RF Minister of Industry and Trade Denis Manturov (23 April 2014); two briefings by Vygaudas Ušackas, Head of the EU Delegation to Russia (31 March 2014 and 22 September 2014); the briefing by Igor Artemiev, Head of the Federal Antimonopoly Service of the Russian Federation (23 September 2014); the briefing by Sergey Lavrov, the RF Minister of Foreign Affairs (14 October 2014); the briefing by Boris Titov, Presidential Commissioner for Entrepreneurs' Rights and Protection (20 October 2014) etc.

**Press-releases.** In 2014, the AEB Communications department issued a number of press-releases, including monthly press-releases with car and LCV sales results in Russia, messages about the AEB lobbying activities and Committee initiatives. Since the beginning of the Ukrainian crisis, the AEB has been pro-active in communicating with the Russian and international mass media the negative consequences of the sanctions on European business.

**The AEB released:** the Statement following the Extraordinary European Council Meeting on the situation in Ukraine (6 March 2014); the Joint statement by the Delegation of the European Union to the Russian Federation and the Association of European Businesses (17 March 2014); the Disagreement of European investors in Russia with the US sanctions (17 July 2014); the AEB comments on new EU sanctions (30 July 2014); the AEB comments on the Special Economic Measures Presidential Decree (food ban) (8 August 2014); the AEB is concerned about the potential introduction of additional protective measures (13 August 2014); the AEB press-release on the eve of the European Council (29 August 2014); the AEB is addressing the Heads of State and

Government of the European Union, Russia and Ukraine to protect foreign investors (4 September 2014); the AEB opposes new sanctions (12 September 2014); the Common Statement of the ICCI Meeting Participants (16 September 2014).

- There were 10 times as many Press-clippings in 2014 as in 2013.
- The traditional Press Reception for representatives of local and foreign mass media took place in January 2014.
- During 2014, numerous mass media mentioned the AEB's name over 16,000 times.<sup>1</sup>

### AEB Corporate Social Responsibility

The Association of European Businesses supported various charity initiatives throughout 2014 by providing informational coverage to their causes and community events. The charities included: Taganskiy Children's Fund, Downside Up, Ganz und Tanz and others.

### Online activities

In 2014, the AEB launched a YouTube channel giving visitors access to all the videos regarding events and key speaker interviews.

Photo-reports were put on Facebook, and the AEB also launched RSS feed to deliver its latest web updates straight to one's desktop.

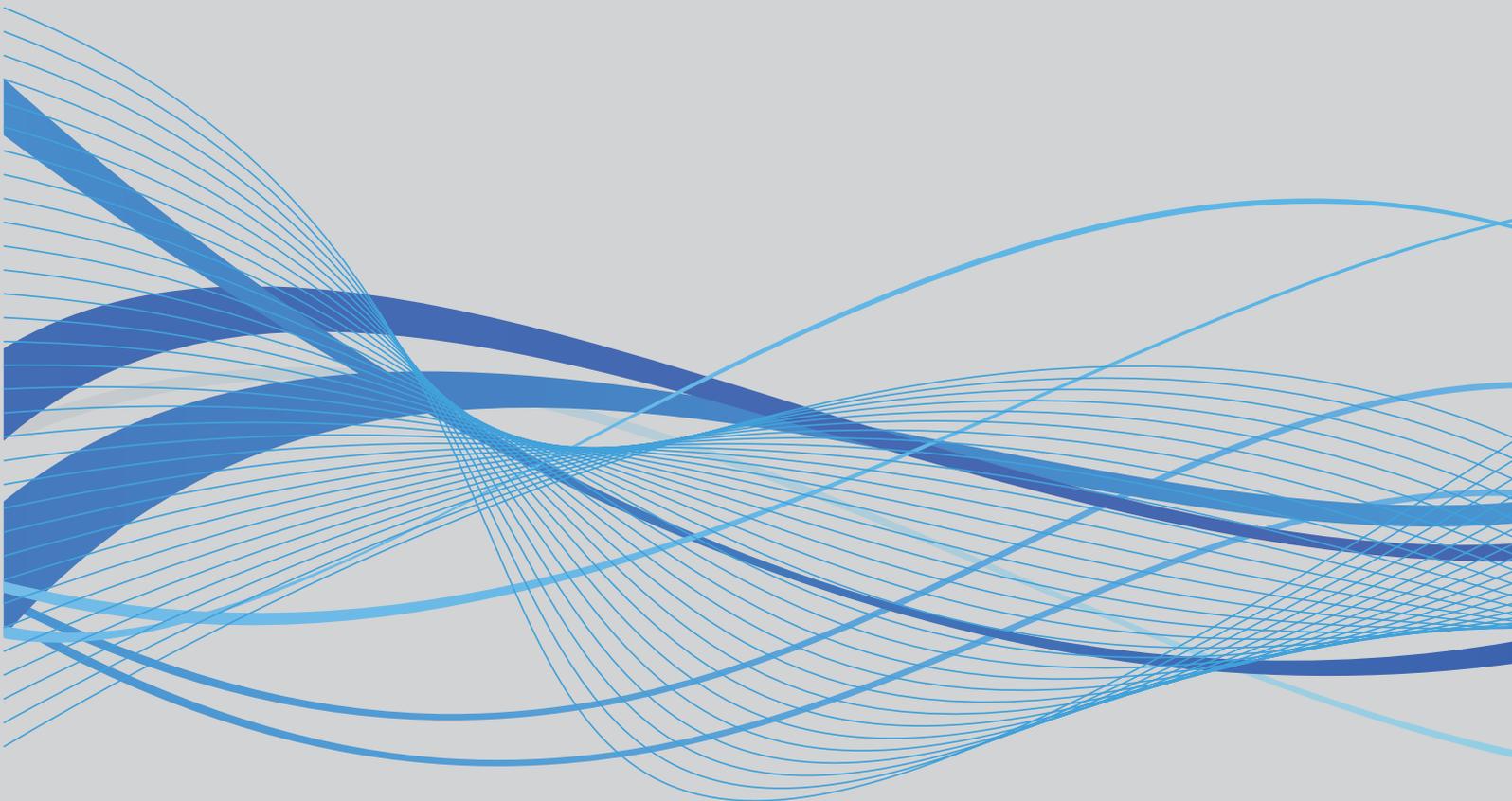
### Publications

- The AEB now releases its Position Paper once a year. The publication has a circulation of 2,000 copies and is also available both on CD and on the website.
- The AEB continued to publish its Business Quarterly magazine with a circulation of 16,000 copies, in response to growing demand.
- The AEB published its annual guide How to Invest in Russia. A German version of the publication was re-released in cooperation with the OWC Publishing house in Germany.
- The AEB continued to publish the annual Membership Directory with a circulation of 3,000 copies. In 2014, information about more than 600 member companies was listed in the AEB Membership Directory.
- The Real Estate Monitor as always had two versions of being released four times one by one through the year: printed and electronic.
- The AEB initiated the preparation of a brand new publication entitled Russia's HR Sector: surveys, analyses, facts for HR professionals.

<sup>1</sup> Source: Interfax - scan

# Open and Social Events

January-December  
**2014**



## Selected AEB Open Events 2014

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- AMC Annual Press Conference (15.01.14);
- Open Event "Federal contract system — an Impetus to Improve the Quality of the Healthcare and Social System" (29.01.14);
- AEB Press Reception (30.01.14);
- AEB-Skolkovo Partnership (30.01.2014);
- Talks on the Russian Economy (04.02.14);
- Briefing by Eric Peters, Advisor, Bureau of European Policy Advisors (BEPA) at the President of the European Commission (06.03.14);
- Briefing by Richard Burger, Research & Innovation Counsellor, Head of Science & Technology Section, Delegation of the European Union to the Russian Federation (17.03.14);
- V Northern Dimension Forum (03.04.14);
- AEB Annual Customs Conference (09.04.14);
- Speed Dating by Energy Efficiency Committee (10.04.14);
- Annual General Meeting (17.04.14);
- Webinar "Growing from small to medium-sized company: business and administrative aspects" (22.04.14)
- Migration Committee meeting with the FMS on recent changes in the migration legislation (22.04.14);
- Briefing by Denis Manturov, the RF Minister of Industry and Trade (23.04.14);
- Round Table "Intellectual Property and Social Media" (25.04.14);
- Round Table with Mr. Shpilko, Head of the Tourism and Hospitality Moscow Committee (29.04.14);
- Presentation of Annual Survey Results (20.05.14);
- Open Event "Electronic Insurance in Russia" (21.05.14);
- Days of Agrotechnologies (14.06.14);
- Taxation Forum (25.06.14);
- 11th AEB Flagship Conference (26.06.14);
- Annual Intellectual Property Conference (26.06.14);
- Open Event "Automotive Industry in Russia: Localisation Challenges and Perspectives (01.07.14);
- Business Meeting "Ukraine-related Challenges for Business: What to Know and How to Respond" (07.07.14);
- Round Table as part of the International Conference "Automation and Robotics in Transport Engineering" (10.07.14);
- International Conference "Innovations for Russian Agriculture Productivity and Food Security" (15.09.14);
- Briefing by Vygaudas Ušackas, Ambassador, Head of the EU Delegation to the Russian Federation (22.09.14);
- Briefing by Igor Artemiev, Head of the Federal Antimonopoly Service of the Russian Federation (23.09.14);
- Talks on the Russian Economy (09.10.14);
- Briefing by Sergey Lavrov, Minister of Foreign Affairs of the Russian Federation (14.10.14);
- Moscow International Forum for Innovative Development "Open Innovations" (15.10.14);
- Briefing by Boris Titov, Presidential Commissioner for Entrepreneurs' Rights Protection (30.10.14);
- "Association Dynamo Projects" (06.11.14);
- International Forum "Energy Efficiency and Automation in Commercial Buildings 2014 — How it Can be Done in Russia" (13.11.14);
- In-House Counsel Day (21.11.14);
- Taxation Forum (17.12.14);
- Round Table with IATA on data localisation (17.12.14).

## Selected AEB Social Events 2014

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- Swedish Euroreception (04.03.14);
- Polish Euroreception (08.07.14);
- German Euroreception (12.11.14).

## 15.01.2014: AMC ANNUAL PRESS CONFERENCE



## 29.01.2014: OPEN EVENT "FEDERAL CONTRACT SYSTEM — AN IMPETUS TO IMPROVE THE QUALITY OF THE HEALTHCARE AND SOCIAL SYSTEM"



## 30.01.2014: AEB-SKOLKOVO PARTNERSHIP



## 30.01.2014: AEB PRESS RECEPTION



## 04.02.2014: TALKS ON THE RUSSIAN ECONOMY



## 04.03.2014: SWEDISH EUORECEPTION



**06.03.2014: BRIEFING BY ERIC PETERS, ADVISOR, BUREAU OF EUROPEAN POLICY ADVISORS (BEPA) TO THE PRESIDENT OF THE EUROPEAN COMMISSION**



**17.03.2014: BRIEFING BY RICHARD BURGER, RESEARCH & INNOVATION COUNSELOR, HEAD OF SCIENCE & TECHNOLOGY SECTION, DELEGATION OF THE EUROPEAN UNION**



## 03.04.2014: V NORTHERN DIMENSION FORUM





## 09.04.2014: AEB ANNUAL CUSTOMS CONFERENCE



## 10.04.2014: SPEED DATING BY ENERGY EFFICIENCY COMMITTEE



## 17.04.2014: AEB ANNUAL GENERAL MEETING





**22.04.2014: WEBINAR "GROWING FROM SMALL TO MEDIUM-SIZED COMPANY: BUSINESS AND ADMINISTRATIVE ASPECTS"**



**23.04.2014: BRIEFING BY DENIS MANTUROV, THE RF MINISTER OF INDUSTRY AND TRADE**





**25.04.2014: ROUND TABLE  
"INTELLECTUAL PROPERTY  
AND SOCIAL MEDIA"**



**20.05.2014: PRESENTATION  
OF ANNUAL SURVEY  
RESULTS**



**21.05.2014: OPEN EVENT  
"ELECTRONIC INSURANCE  
IN RUSSIA"**



**14.06.2014: DAYS  
OF EUROPEAN  
AGROTECHNOLOGIES**



## 25.06.2014: TAXATION FORUM



## 26.06.2014: AEB FLAGSHIP CONFERENCE



## 26.06.2014: ANNUAL INTELLECTUAL PROPERTY CONFERENCE



## 01.07.2014: OPEN EVENT "AUTOMOTIVE INDUSTRY IN RUSSIA: LOCALISATION CHALLENGES AND PERSPECTIVES"



## 07.07.2014: BUSINESS MEETING "UKRAINE-RELATED CHALLENGES FOR BUSINESS: WHAT TO KNOW AND HOW TO RESPOND"



## 08.07.2014: POLISH EURORECEPTION



**10.07.2014: ROUND TABLE AS PART OF THE INTERNATIONAL CONFERENCE "AUTOMATION AND ROBOTICS IN TRANSPORT ENGINEERING"**



**15.09.2014: INTERNATIONAL CONFERENCE "INNOVATIONS FOR RUSSIAN AGRICULTURE PRODUCTIVITY AND FOOD SECURITY"**



## 22.09.2014: BRIEFING BY VYGAUDAS UŠACKAS, AMBASSADOR, HEAD OF THE EU DELEGATION TO RUSSIA



## 23.09.2014: BRIEFING BY IGOR ARTEMIEV, HEAD OF THE RF FEDERAL ANTIMONOPOLY SERVICE



## 09.10.2014: TALKS ON THE RUSSIAN ECONOMY



## 14.10.2014: BRIEFING BY SERGEY LAVROV, THE RF MINISTER OF FOREIGN AFFAIRS



## 15.10.2014: MOSCOW INTERNATIONAL FORUM FOR INNOVATIVE DEVELOPMENT "OPEN INNOVATIONS"



## 30.10.2014: BRIEFING BY BORIS TITOV, PRESIDENTIAL COMMISSIONER FOR ENTREPRENEURS' RIGHTS PROTECTION



## 06.11.2014: "ASSOCIATION DYNAMO PROJECTS"



## 12.11.2014: GERMAN EURORECEPTION



## 13.11.14: INTERNATIONAL FORUM "ENERGY EFFICIENCY AND AUTOMATION IN COMMERCIAL BUILDINGS 2014 – HOW IT CAN BE DONE IN RUSSIA"



## 21.11.2014: IN-HOUSE COUNSEL DAY

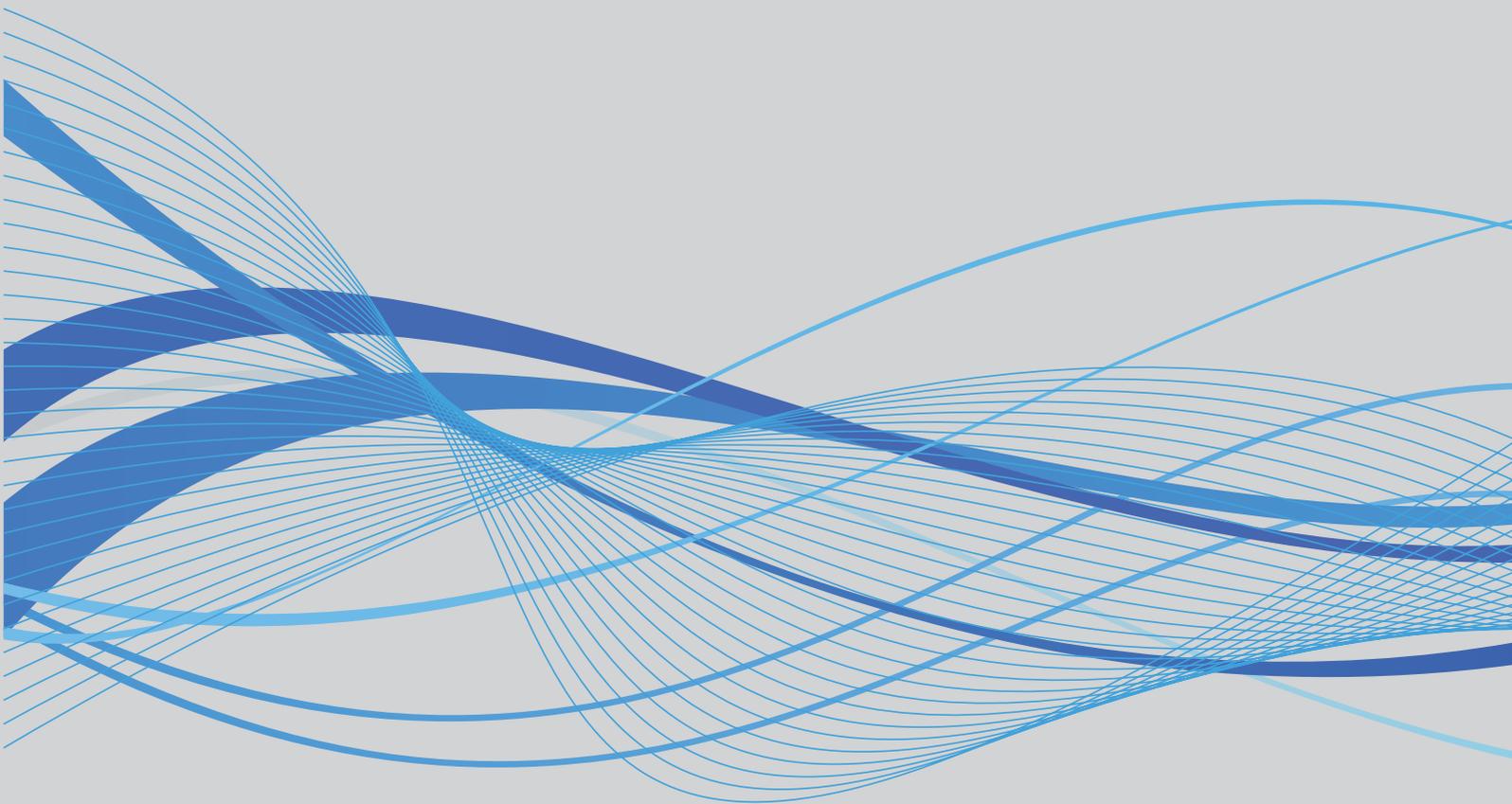


## 17.12.2014: TAXATION FORUM



# Committee Reports

2014



## AGRIBUSINESS COMMITTEE

<b>AIM</b>	To promote the interests of the AEB member companies in agribusiness sector through governmental liaison and lobbying activities.	
<b>CHAIRPERSON</b>	<b>Dirk Seelig</b> , Sales Director, CLAAS	
<b>AEB MEMBER COMPANIES</b>	AGCO Machinery LLC; Amazone OOO; BASF; Bayer CropScience; Bonduelle-Kuban; Cargill Enterprises Inc.; CLAAS; Danone Industria OOO; Dow AgroSciences VmbH; DuPont Science and Technologies; Ferrero; JCB Sales Limited; John Deere Agricultural Holdings Inc.; Kverneland Group; Lantmannen Unibake Russia; Merloni Progetti SpA; Nestle Rossiya; Royal Haskoning DHV; Sirena; SGS Vostok Limited ZAO; Syngenta OOO; Uhrenholt; Unilever; Zentis Russland.	
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>3</b>	
<b>AEB OPEN EVENTS ORGANISED</b> (participation in open sessions was exclusively on invitations)	<b>Event Title</b>	<b>Event Date</b>
	Meeting with A. Slepnev, Minister of Trade, EEC, to discuss violations of import quota allocation	3 February 2014
	Trip to Yaroslavl Motor Plant to review localisation process (organised by Minpromtorg)	6 June 2014
	Meeting with V. Iliychev, Director of Internal Market Protection, EEC, and S. Kiselev, Minpromtorg, to discuss import quota allocation in 2015	17 November 2014
	Joint AEB-VDMA meeting on coordination of efforts	18 December 2014

### COMMITTEE ACTIVITIES, 2014

The Committee focuses on the most up-to-date trends and developments in agricultural policy introduced by the Russian Government. Its primary objective is to promptly react to the new environment under WTO rules and to protect the interests of foreign agricultural machinery producers and dairy industry producers.

The disposal fee, the issuing of passports for self-propelled agricultural machinery, and the allocation of import quotas were the most important issues the Committee lobbied in 2014.

## AIRLINE COMMITTEE

<b>AIMS</b>	<ul style="list-style-type: none"> <li>• to represent and lobby the interests of the member airlines before the Government bodies on all levels and the public in general;</li> <li>• to work on the detection of challenges in the application of legislation related to airline industry throughout its entire existence.</li> </ul>	
<b>CHAIRPERSON</b>	<b>Sylvie Caudriller</b> , General Manager for Russia and the CIS, Air France KLM	
<b>DEPUTY CHAIRPERSON</b>	<b>Marek Pedersen</b> , General Manager for Russia and the CIS, SAS	
<b>AEB MEMBER COMPANIES</b>	Air France KLM; Royal Dutch Airlines; Alitalia; Austrian Airlines; Delta; Emirates; Finnair; Korean Airways; Lufthansa; Swiss International Airlines; Brussels Airlines; SAS.	
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>5</b>	
<b>AEB OPEN EVENTS ORGANISED</b> (participation in open sessions was exclusively on invitations)	<b>Event Title</b>	<b>Event Date</b>
	Round Table with Mr. Parnev, Head International Department of Federal Air Transport Agency of Russia (Rosaviation)	4 February 2014
	Rosaviation Annual Exhibition, St. Petersburg	4 December 2014
	Round Table with Mr. Shamraev, Head of IATA in Moscow	17 December 2014

### COMMITTEE ACTIVITIES, 2014

The Airline Committee is an industrial committee, which deals with a number of issues relevant for foreign carriers operating on the Russian market, within the framework of Russian legislation and in accordance with international rules.

On 4 February 2014, the AEB Airline Committee had a meeting with Mr. Parnev, Head of the International Department of the Federal Air Transport Agency of Russia (Rosaviation). Mr. Parnev gave a speech on the development of air transport strategy in the Russian Federation.

The AEB Airline Committee is concerned about the New Russian Data Localisation Requirements. Members of the AEB Airline Committee actively participated in the IT & Telecom Working Group on this issue.

On 17 December 2014, the Committee met with Dmitri Shamraev, Regional Director for Russia and the CIS, and the IATA to discuss and share views on potential problems and possible implications for the airline industry associated with the processing of personal data using databases located exclusively in Russia (the Federal Law "On Amendments to Certain Legislative Acts of the Russian Federation in terms of Verifying the Processing of Personal Data in Information and Telecommunications Networks" No. 242-FL dated 21 July 2014).

## AUTOMOBILE MANUFACTURERS COMMITTEE

<b>AIMS</b>	<ul style="list-style-type: none"> <li>• to unite and represent common interests of its members – automobile importers/manufacturers of global automobile producers, which guide business activities in the Russian Federation (producing in and/or importing);</li> <li>• to create conditions for development of civilised automotive market;</li> <li>• set and observe common and fair business rules for automotive companies officially operating in Russia and leverage inter-company cooperation and constructive partnership;</li> <li>• the AMC concentrates on the most important and urgent issues of the automotive business which affect its members, developing appropriate responses, lobbying to ensure that member interests are represented and dealing with the Russian governmental authorities, public institutions, local and international automotive associations and the mass media.</li> </ul>	
<b>CHAIRPERSON</b>	<b>Joerg Schreiber</b> , President and General Director, Mazda Motor Rus LLC	
<b>AEB MEMBER COMPANIES</b>	BMW Russland Trading OOO; Chrysler Russia ZAO; Ford Sollers Holding; GAZ Group LLC; General Motors CIS LLC; Honda Motor RUS LLC; Hyundai Motor CIS LLC; Jaguar Land Rover LLC; Kia Motors Rus LLC; Mazda Motor Rus LLC; Mercedes-Benz Rus ZAO; Mercury Auto/Ferrari Maserati; MMC Rus LLC; Mitsubishi Motor Rus LLC; Nissan Manufacturing Rus OOO; Peugeot Citroën Rus OOO (Peugeot/Citroën); Porsche Russland OOO; Renault Russia; SOLLERS OAO; Subaru Motor LLC; SUZUKI MOTOR RUS LLC; Toyota Motor OOO; Volkswagen Group Rus OOO (Audi Russia/Bentley/Lamborghini/SEAT/ŠKODA AUTO Russia/Volkswagen Russia/Volkswagen NFZ); Volvo Cars LLC.	
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>28</b>	
<b>AEB OPEN EVENTS ORGANISED</b> (participation in open sessions was exclusively on invitations)	<b>Event Title</b>	<b>Event Date</b>
	AMC Annual press-conference: "Review 2013"	15 January 2014
	Open event: "Automotive industry in Russia: localisation challenges and perspectives"	1 July 2014
	MIAS 2014 (Moscow International Automobile Salon)	27 August–7 September 2014

### COMMITTEE ACTIVITIES, 2014

2014 was the 17th year of AMC operations within the AEB. For the 8th year the Committee has continued providing its members with an online sales data exchange system, which remains almost the only up-to-date and reliable source of statistics for sales of passenger cars (PC) and light commercial vehicles (LCV) in Russia. Following a well-established tradition, the results of 2013 and forecasts for 2014 were delivered to the media at the annual AMC press conference, which also provided the press with an opportunity to interact with the Heads of automobile companies on the very important issues related to the automotive industry.

2014 proved very important for the automotive industry in Russia in terms of its public appearance. The 5th Moscow International Automobile Salon (MIAS) took place at the Crocus Expo. This is a biannual event at a national level,

included in the calendar of the international motor shows. The majority of AMC members took part in it. More than 1.1 mln visitors had the chance to enjoy the most important automobile event of the year.

Accession to the Code of Conduct, developed by the AMC and inaugurated at a joint AEB and FAS (Federal Antimonopoly Service) press-conference on 6 December 2013, remained on the Committee's agenda in 2014. By the end of 2014, 18 AMC member-companies joined the Code of Conduct. The first review of its implementation was presented at a Roundtable "Code of Conduct of Automobile Manufacturers: creation of fair play rules on the automobile market" organised within the framework of Competition Day in St. Petersburg in September 2014 (organiser: FAS). The Code of Conduct is open to all interested companies.

Throughout the year, Committee representatives actively participated in other important events, where they spoke on behalf of the AMC, these included the Russian Automotive Forum organised by Adam Smith conferences, and the "Rosavtodealer-2014" conference organised by ROAD (Association of Russian Automobile Dealers).

The other main issues on the AMC Agenda in 2014 were:

- Homologation norms and their conformity to European levels. The Committee continued extensive discussions with the Ministry of Industry and Trade, NAMI and NP GLONASS on Russian Federation and Customs Union Technical Regulations on Safety of Wheeled Vehicles. Committee representatives also participated in work with a respective Minpromtorg Expert Council and in a Working Group established by Minpromtorg on the development of EC and UN rules on emergency call systems. The main focus of the ERA-GLONASS related activities was to solve the key problem i.e. clarification of a process for ERA-GLONASS component certification.
- Consumer Protection Law. The Automobile Manufacturers Committee continued activities targeted at amending the Consumer Protection Law. The focus of the amendments is the concept of 'material defect', the adequacy of market players' responsibility, the liability of acts by third parties and others.
- Localisation in the automotive industry was given special attention. Together with the Commercial Vehicles Committee and Automotive Components Committee, the AMC organised an open event to highlight existing localisation problems and to bring them to the respective governmental agencies.
- Organisation of paid parking places in Moscow. The Committee undertook various efforts to communicate with the Moscow Mayor's Office in order to discuss Moscow regulations for the organisation of paid parking places, which are unfair for the city's inhabitants.
- Car registration rules. During the year, the AMC was deeply involved in discussions and lobbying for the adjustment of car registration rules, especially after car body/frame replacement.

Throughout the year, the AMC published monthly press-releases on car sales statistics which are widely used by all automotive and business media in Russia and abroad. Press coverage of issues addressed by the AMC and its activities in general increased further in 2014.

The Committee continued strengthening its contacts with national and international automotive associations: 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), as well as with local authorities and industry officials.

Apart from being in close contact with the Ministry of Industry and Trade, the Committee had several meetings focused on briefing EC representatives on the industry's developments within the country.

Meetings with the European Commission, including the one with the Head of the EU Delegation in Russia: 2.  
Meetings with European Automobile Manufacturers' Association (ACEA): 2.

## AUTOMOTIVE COMPONENTS COMMITTEE

<b>AIM</b>	To unite and lobby for the joint interests of AEB members in the automotive suppliers sector, facilitating meetings with officials, industrial associations and Original Equipment Manufacturers (OEMs), supporting networking and exchange of contacts within the industry and helping companies establish working contacts with car plants.	
<b>CHAIRPERSON</b>	<b>Andrey Kossov</b> , Commercial Manager Russia, Johnson Matthey PLC	
<b>DEPUTY CHAIRPERSON</b>	<b>Evgeny Evdonin</b> , Sales Director, Robert Bosch	
<b>AEB MEMBER COMPANIES</b>	Akzo Nobel N.V.; Benteler Automotive LLC; BASF; Cesar Satellite, JV JSC "Delphi Samara"; Deloitte; DLA Piper Rus Limited, Dow AgroSciences VmbH; Dow Corning; DSM Group; DuPont Science and Technologies; Eberspaecher Exhaust Systems RUS LLC; EY; Federal Mogul Powertrain Vostok; Gestamp Russia; GKN Automotive International GmbH; Henkel Russia; Johnson Controls International; Johnson Controls Autobatterie GmbH Representative office in Moscow; Johnson Matthey PLC; Magna International LLC; Obninskorgsintez; PwC; Robert Bosch OOO; Russian Automotive Components Limited; Saint-Gobain CIS; Sandvik LLC; Solvay S.A.; ThyssenKrupp AG Representative Office RF; Volvo Group ZAO.	
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>3</b>	
<b>AEB OPEN EVENTS ORGANISED</b> (participation in open sessions was exclusively on invitations)	<b>Event Title</b>	<b>Event Date</b>
	"Automotive industry in Russia: localisation challenges and perspectives" event together with AMC and ACC	01 July 2014
	V International Forum – "The automotive industry and autocomponents market in Russia" organised by the Committee in cooperation with ITE Expo and Messe Frankfurt RUS in the framework of the international exhibition "MIMS powered by Automechanika Moscow 2014"	25 August 2014

### COMMITTEE ACTIVITIES, 2014

Committee members participated on privileged terms in the V International Forum – "The automotive industry and autocomponents market in Russia" organised by the AEB in cooperation with ITE Expo and Messe Frankfurt RUS within the framework of the international exhibition "MIMS powered by Automechanika Moscow 2014", which was held on 25 August 2014.

Major challenges remain in obtaining sufficient Government support to attract and support foreign investors; the localisation of automobile and automotive-component manufacturing; the application of competitive, efficient and environmentally friendly technologies and know-how, as well as the protection of intellectual property rights.

It is in addressing these issues that the AEB Automotive Components Committee intends to play a crucial role in improving the investment climate in Russia, by means of active lobbying to simplify investment conditions. Furthermore, the Committee plans to collaborate closely not only with the Government, but with Russian and foreign OEMs, as the development of localisation of components and automotive clusters has become one of the key issues; it is vital to ensure that the Russian automotive industry is developing into a contemporary and competitive sector, with a reliable local supplier base, especially under new economic realities.

## BANKING COMMITTEE

<b>AIMS</b>	<p>The Banking Committee brings together representatives of international banks and other financial institutions and combines their efforts in order to represent effectively their interests in the Russian market and to promote a favourable climate for the operation of international banks in Russia. The Committee aims:</p> <ul style="list-style-type: none"> <li>• to provide a level playing field between local and foreign operators;</li> <li>• to provide direct technical policy advice to European and Russian government officials.</li> </ul>
<b>CHAIRPERSON</b>	<b>Joerg Bongartz</b> , Chairman of the Board, Deutsche Bank Ltd.
<b>AEB MEMBER COMPANIES</b>	<p>American Express Bank; Bank Credit Suisse (Moscow); BNP Paribas; Center-invest Bank; Citibank ZAO; Commerzbank (Eurasija) SAO; Credit Agricole Corporate and Investment Bank, Closed Joint-Stock Company; Danske Bank Russia; DEG Representative Office Russian Federation; Deutsche Bank Ltd.; European Bank for Reconstruction and Development (EBRD); Home Credit and Finance Bank; HSBC Bank (RR) OOO; ING Commercial Banking; MasterCard; Mercedes-Benz Financial Services Rus OOO/Mercedes-Benz Bank Rus OOO; Natixis Bank (ZAO); Nordea Bank; OTP Bank; Raiffeisenbank ZAO; Rosbank; SEB Russia; SWIFT; The Royal Bank of Scotland ZAO; UBS Bank OOO; UniCredit Bank ZAO; VISA.</p>
<b>NUMBER OF COMMITTEE MEETINGS</b>	<p>Committee meetings – <b>2</b>          Meetings of CEO-level representatives of the AEB member-banks – <b>15</b></p>

### COMMITTEE ACTIVITIES, 2014

In 2014, the Committee continued its cooperation with key state partners:

- the Committee continued its dialogue with the Central Bank: on 22 October, senior representatives of member banks met with Ksenia Yudaeva, First Deputy Governor of the Bank of Russia, to discuss certain aspects of Central Bank regulation and policy, as well as the challenges that foreign banks face in the current environment; on 29 October, the Committee held a meeting with Elena Chaikovskaya, Director of Financial Market Development Department at the Central Bank, to discuss the registration and recognition of the National Clearing Centre (NCC) by the European Securities and Markets Authority (ESMA). Also, the Committee sent a number of letters to the Central Bank with proposals and comments to improve banking regulation;
- the Committee continued to interact with the Ministry of Finance, preparing comments and suggestions on currency regulation and customs legislation with regards to the execution of obligations on customs duties and tax payments;
- the Committee strengthened its collaboration with the State Duma and, in particular, with the State Duma Committee on Financial Markets. Committee representatives (members of the Expert Council on Banking Legislation and Audit under the State Duma Committee on Financial Markets) regularly participated in Expert Council meetings. The Committee sent a number of letters to the State Duma with proposals to improve banking legislation and comments on draft laws ("antiterrorist package", currency control, FATCA). In July 2014, senior representatives of the AEB Banking Committee met Anatoly Aksakov, a State Duma Deputy and President of the Association of Regional Banks of Russia, to discuss implementation of recently adopted laws and upcoming legislative activities in the banking sector, namely: implementation of the law on FATCA, changes in currency control regulation, the draft law on trade repositories, the draft law amending part 2 of the Civil Code etc.;

A group of CEO-level representatives of the Committee's member banks held regular meetings to discuss developments and activities, which included: a business breakfast with Federico Ghizzoni, Chairman of UniCredit Group; a business lunch with Anatoly Aksakov, State Duma Deputy and President of the Association of Regional Banks of Russia; working dinners with Vygaudas Ušackas, Ambassador, Head of the EU Delegation to the Russian Federation, and Virgil Nae, Head of the EIB's Representative Office in Russia; and a business breakfast with Ksenia Yudaeva, First Deputy Governor of the Central Bank.

Furthermore, Joerg Bongartz, Chairman of the AEB Banking Committee, participated as a speaker at the 11th AEB Flagship Conference "EU-Russia: Where Are We?" (17 June 2014). Mr. Bongartz, Committee representatives and the coordinator participated in two meetings of the Working Group on Financial Institutions and Capital Markets of the Foreign Investments Advisory Council (18 April 2014 and 26 September 2014).

In 2014, the following topics were discussed by the Committee (at Committee meetings as well as during conference calls and via offline communication): currency control; customs legislation with regards to the execution of obligations on customs duties and tax payments; data protection; US FATCA and Russian FATCA; identification of beneficial owners and CBR Regulation 408-P; the draft laws #428896-6 and #428889-6 ("antiterrorist package"), which among others proposed a reduction in transfer limits via anonymous electronic payment instruments and a ban on their use for cross-border transactions; new CBR regulation plans on remuneration; proposals on banking regulation; the registration and recognition of the National Clearing Centre (NCC) by the European Securities and Markets Authority (ESMA); the draft law amending part 2 of the Civil Code; others.

## COMMERCIAL VEHICLES PRODUCERS COMMITTEE

<b>AIM</b>	To support the joint interests of the Committee members and increase the power of its members above the sum of their individual powers, lobbying for active involvement in all decision making processes affecting commercial vehicles industry, promoting free trade and supporting a fair and reliable business environment, contributing to the prosperous and sustainable growth of the Russian economy.	
<b>CHAIRPERSON</b>	<b>Andrey Chursin</b> , CEO, Scania Service	
<b>AEB MEMBER COMPANIES</b>	Chrysler Russia ZAO; Ford Motor Company ZAO; GAZ Group; Hino Motors Sales LLC; Hyundai ComTrans Rus Ltd.; MAN Truck & Bus RUS; Mercedes-Benz Trucks Vostok; Nissan Motor Rus OOO; Peugeot Citroen Rus; Renault Russia; Scania Rus LLC; Sollers OAO; Volkswagen Group Rus OOO; Volvo Vostok ZAO.	
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>6</b>	
<b>AEB OPEN EVENTS ORGANISED</b> (participation in open sessions was exclusively on invitations)	<b>Event Title</b>	<b>Event Date</b>
	"Automotive industry in Russia: localisation challenges and perspectives" event together with AMC and ACC	01 July 2014

### COMMITTEE ACTIVITIES, 2014

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.

In 2014, the CVC had six meetings: one regular Committee meeting, three meetings of the Regulatory Issues Working Group (one of which was a conference call), and two meetings of the Marketing Working Group.

Statistics remain one of the key issues for the Committee. Since 2013, some companies have experienced technical issues and have not participated in the statistics exchange. Discussions are ongoing and the Committee aims to resume the exchange in 2015.

Exhibitions are another key area. The CVC Marketing Working Group has started preparations for the next big exhibition: Comtrans 2015.

In 2014, the major issues discussed within the Committee were: fleet renewal measures to be introduced by the Government; procedures for marking vehicles and their components to adhere with the implementation of Technical Regulation of the Customs Union "On Safety of Wheeled Vehicles"; and practical implementation of tachograph regulation.

## CONSTRUCTION EQUIPMENT COMMITTEE

<b>AIM</b>	The Committee serves as a platform for foreign manufacturers of construction equipment to discuss common issues and opportunities and acts, where appropriate, as a representative of its member companies on common industry concerns. The Committee works to promote safety, good business practice and sustainability.	
<b>CHAIRPERSON</b>	<b>Andrey Komov</b> , General Manager, Volvo Construction Equipment Russia, Ukraine, Belarus and Kazakhstan, Volvo Vostok ZAO	
<b>AEB MEMBER COMPANIES</b>	Atlas Copco CJSC; Bell Equipment Rusland OOO; Caterpillar Eurasia LLC; CNH Industrial (Russia) Commercial Operations LLC; Doosan Infracore Co. Ltd.; Hitachi Construction Machinery Eurasia Sales LLC; Hyundai Heavy Industries; JCB Sales Limited; John Deere Agricultural Holdings, Inc.; Komatsu CIS; Liebherr-Rusland; Volvo Vostok ZAO.	
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>8</b>	
<b>AEB OPEN EVENTS ORGANISED</b> (participation in open sessions was exclusively on invitations)	<b>Event Title</b>	<b>Event Date</b>
	Presentation of the Committee at Conex 2014 in South Korea	September 2014

### COMMITTEE ACTIVITIES, 2014

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

The Committee held 8 meetings in 2014: seven Committee meetings and one meeting by Remanufacturing Working Group.

Retail sales statistics are of vital importance to machine manufacturers. The AEB Construction Equipment Committee's statistics programme has proven its effectiveness since its inception in 2008. Today, such companies as Caterpillar, Chetra, CNH, Doosan, GAZ Group, Hidromek, Hitachi, JCB, John Deere, Komatsu, Kraneks, Liebherr, Terex and Volvo are highly satisfied with the results of the programme. In 2013, Bell Equipment and Foton Lovol joined the programme. Since 2014, Doosan and Hyundai Heavy Industries have started reporting. Significant interest to join has also been shown by other manufacturers, especially those working in the road construction segment. It has been agreed that major road construction equipment manufacturers (Wirtgen, Bomag, Ammann, Atlas Copco) will join the programme and begin reporting simultaneously starting from January 2015. The geographic scope of the statistics exchange is also expanding and now includes Kazakhstan.

The major issues discussed within the Committee include: the disposal fee for certain off-road trucks; the possible introduction of a disposal fee for all construction equipment; the restrictions EU sanctions have on the import of certain CE parts to Russia; the ban on CE of foreign origin participating in state procurement programs; and "Unlimited liabilities" in the terms of state procurement contracts.

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 CECE summits. In April 2013, the AEB CEC and KOCEMA (Korea Construction Equipment Association) signed the memorandum of understanding. On the initiation of KOCEMA, CEC made a presentation about the Russian construction equipment market in September within the framework of Conex Korea 2014.

## CONSTRUCTION INDUSTRY & BUILDING MATERIAL SUPPLIERS COMMITTEE

<b>AIMS</b>	<ul style="list-style-type: none"> <li>• platform for communication between the Committee members;</li> <li>• representation of European companies for construction and building material suppliers in Russia (in private, governmental and non-governmental organisations);</li> <li>• communication to outside of the Committee on general and specific questions.</li> </ul>	
<b>CHAIRPERSON</b>	<b>Antonio Linares</b> , Managing Director, ROCA	
<b>DEPUTY CHAIRPERSON</b>	<b>Vitaly Bogachenko</b> , Corporate Affairs Director, Saint-Gobain CIS	
<b>AEB MEMBER COMPANIES</b>	Ariston Thermo Rus; Arkema France; Astron Lindab Buildings LLC; BASF; Bayer ZAO; Bekaert N.V.; Caverion Elmek OOO; CRH; Dow Corning LLC; DuPont Science and Technologies; Freudenberg Group; HeidelbergCement RUS; Interface Russia LLC; Knauf Group CIS; OOO Knauf Gips; Legrand Group; LINDNER; Rautaruukki OYJ; ROCA; Rockwool; Saint-Gobain CIS; URSA Eurasia LLC; Wienerberger Kirpitsch LLC; YIT Rakennus Representative Office.	
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>11</b> (5 – meetings of the Heating Systems Manufacturers Working Group)	
<b>AEB OPEN EVENTS ORGANISED</b> (participation in open sessions was exclusively on invitations)	<b>Event Title</b>	<b>Event Date</b>
	Round Table "Construction industry and construction materials in Russia: challenges and risks for the end user"	2 April 2014
	"Association Dynamo Projects"	6 November 2014

### COMMITTEE ACTIVITIES, 2014

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

In 2014 the Committee's efforts concentrated 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 counterfeited products;
- transparency and reliability of the information referred to construction materials;
- unfair competition and tax dumping;
- vocational education and training centers;
- gas supply in Russia.

Committee members strongly believe that dialogue between experts from different backgrounds on the one side, and Government officials on the other, could bring benefits for Russian construction practices.

On 2 April 2014, the Committee held a round table within BATIMAT RUSSIA 2014 at Crocus Expo.

On 3 July 2014, the Committee held a field-day at Rockwool premises in Zheleznodorozhny, Moscow Region. The program of the visit included a guided tour of Rockwool University and the first Rockwool plant in Russia which was launched in 1999. During the Committee's meeting there, among other things, a decision was taken to create a working group of heating systems manufacturers (HSM WG).

On 26 September 2014, HSM WG members held a meeting with Alexander Sidyakin, Deputy of the State Duma, Andrey Chibis, Deputy Minister of the Construction and Community and Housing Services, and representatives of the service companies, as well as others, on the draft federal law on gas supply in Russia.

On 6 November 2014, the Committee held an open event "Association Dynamo Projects" with the participation of Vladimir Pronichev, Chairman of the Association Dynamo, and Philippe Pegorier, Chairman of the AEB Board.

In 2014, the Committee released its electronic catalogue containing information on the activities of the Committee's member companies, their products and services.

## CROP PROTECTION COMMITTEE

<b>AIMS</b>	<ul style="list-style-type: none"> <li>• to promote innovative Crop Protection technologies and products on the Russian pesticide market;</li> <li>• to create an efficient platform for the CPC members to exchange information and to discuss key issues;</li> <li>• to elaborate a joint CPC position on key issues for lobbying the government and public authorities;</li> <li>• to develop permanent and regular government relations to promote joint CPC interests;</li> <li>• to encourage a constructive cooperation with the appropriate professional associations and unions on the basis of common interests.</li> </ul>	
<b>CHAIRPERSON</b>	<b>Alexander Berkovskiy</b> , Head CIS, Syngenta	
<b>DEPUTY CHAIRPERSON</b>	<b>Yves Picquet</b> , Head of Bayer CropScience N-CIS: Russia, Belarus and Kazakhstan	
<b>AEB MEMBER COMPANIES</b>	Adama; Bayer CropScience; BASF; Dow AgroSciences; DuPont Science and Technology; Syngenta	
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>7</b>	
<b>AEB OPEN EVENTS ORGANISED</b> (participation in open sessions was exclusively on invitations)	<b>Event Title</b>	<b>Event Date</b>
	International Conference "Innovations for Russian agriculture productivity and food security", supported by the Ministry of Agriculture. Coorganisers — Agricultural Committee of the State Duma of the Federal Assembly of the Russian Federation, Committee on Agroindustrial Sector Development of the Chamber of Commerce and Industry of the Russian Federation.	15 September 2014

### COMMITTEE ACTIVITIES, 2014

The Subcommittee of seed producers (Seeds Subcommittee) was established within the framework of the CPC in accordance with the decision of the AEB Executive Board, dated 10 September 2014, which included: Bayer CropScience, Dow AgroSciences, KWS, Limagrain, Monsanto, DuPont Science and Technologies, and Syngenta.

#### External Activities

The Pilot Project on pesticide container waste management is being successfully developed by extending the territory to cover the central black soil region. The amount of collected and recycled containers has grown four-fold compared to 2013 and has reached 400 tons. Thus, ecologically responsible CPP producers are showing readiness to continue their activities to establish the Container Management Scheme in Russia and to train farmers how to manage waste containers properly. Within the framework of Field Days and Days of European technologies, organised by CPC member companies in different regions, a presentation was given on the pilot project results and the main rules of container rinsing.

There are 4 working groups composed of different specialists nominated by their companies to find optimal solutions to the following key issues: Registration and Regulatory Affairs (RWG); Anti-Counterfeiting Activity (AC); Container Management Scheme (CMS); Statistics Collection. **Meetings:** AC WG – 6; CMS WG – 2; RWG WG – 4; Statistics Collection WG – 1.

## CUSTOMS & TRANSPORT COMMITTEE

<p><b>AIMS</b></p>	<ul style="list-style-type: none"> <li>• to lobby on the concerns of 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;</li> <li>• to provide AEB members with quality information on developments in customs regulations and facilitate focused business networking.</li> </ul>	
<p><b>CHAIRPERSON</b></p>	<p><b>Dmitry Cheltsov</b>, General Delegate, IRU Permanent Delegation to Eurasia</p>	
<p><b>DEPUTY CHAIRPERSONS</b></p>	<p><b>Wilhelmina Shavshina</b>, Legal and Business Development Director, Head of International Trade Practice, DLA Piper;  <b>Sergei Gusev</b>, Customs Manager, Electrolux</p>	
<p><b>AEB MEMBER COMPANIES</b></p>	<p>Arkema; Atlascopco; BLG Logistics Solutions; BAT; Bayer; OOO "BSH BytowajaTechnika"; Cargill; CMS; CUSTOMS RUS; Daikin; Deloitte; DHL Express; DLA Piper; DPD in Russia (ЗАО "АрмдиллоБизнесПосылка"); DELPHI; EY; Electrolux; ECUSTOMS; Gefco; Groupe SEB; FordSollers; Ferrero; IKEA; IRU; Itella; JTI; JBC; Knauf International GmbH; KPMG; Leroy Merlin; MAN; Liebherr-Russland; Michelin; National Customs Broker; Nestle; OBI; Pepeliaev Group; PwC; Parkline Logistics; Panalpina World Transport; Philips; Philip Morris; Profile-Euro; Renault Russia; ROCA; Saint-Gobain; Scania; Schneider Electric; Shell; Siemens; TARGO Group; TNT; TRANSLOGIX; Toyota; Volkswagen Group Rus; UPS; Zentis.</p>	
<p><b>NUMBER OF COMMITTEE MEETINGS</b></p>	<p><b>11</b></p>	
<p><b>AEB OPEN EVENTS ORGANISED</b> (participation in open sessions was exclusively on invitations)</p>	<p><b>Event Title</b></p>	<p><b>Event Date</b></p>
	<p>Round Table with Mr. Byshovets, First Deputy of Risk management Department, Federal Customs Service</p>	<p>23 January 2014</p>
	<p>Official visit of AEB members and Eurasian Economic Commission delegation, headed by Vladimir Goshin, Member of the Board (Minister) for Customs Cooperation, Eurasian Economic Commission, to Port of Hamburg in order to learn the best practices regarding single window customs procedures</p>	<p>19 March 2014</p>
	<p>AEB X International Customs Conference supported by the Federal Customs Service</p>	<p>9 April 2014</p>
	<p>Round Table with Mr. Katushenok, Head of Department on Commodity Classification, Federal Customs Service, and Central Customs Directorate representatives</p>	<p>22 May 2014</p>

<p style="text-align: center;"><b>AEB OPEN EVENTS ORGANISED</b></p> <p>(participation in open sessions was exclusively on invitations)</p>	Meeting of AEB members with Vladimir Goshin, Member of the Board (Minister) for Customs Cooperation, Eurasian Economic Commission, to discuss the most acute and important issues for AEB members within the Customs Code of Customs Union development	11 June 2014
	Meeting with Mr. Bortsov, Head of Secretariat of the Minister of Customs Cooperation, and Mr. Maierhofer, German Customs Liaison Officer, and Mr. Muench, Customs Attaché, German Embassy regarding the agenda of the AEB and EEC visit to Cologne, Germany	7 July 2014
	CTC experts meeting, chaired by Sergei Gusev, Co-Chairman of the AEB Customs & Transport Committee, with ICCI experts regarding the amendments to the article 16.2, the RF Code of Administrative Offence	4 August 2014
	CTC meeting with Mr. Kizlyk, Head of Investigation Department, Federal Customs Service, concerning the amendments to the Chapter 16, in particular, art. 16.2 of the RF Code of Administrative Offences	12 August 2014
	Official visit of the AEB and Eurasian Economic Commission delegation, headed by Vladimir Goshin, Member of the Board (Minister) for Customs Cooperation, Eurasian Economic Commission, to Cologne, Dortmund, Düsseldorf, Germany in order to learn best practices in express shipments and authorised economic operator specifics	9—12 September 2014
	Round Table with Japan business club and JETRO	27 November 2014

## COMMITTEE ACTIVITIES, 2014

The AEB Customs & Transport Committee and its members have actively been working on the detection of challenges in the application of customs laws throughout its existence. Currently, there is intensive work on the identification of gaps and discrepancies at the Customs Union (CU) level of legislation and the level of national regulatory acts published for the development of provisions and institutions within the Customs Union Customs Code (CU CC). Also, the Committee has been providing scrupulous work on improving previously-issued normative acts in the sphere of customs legislation within the framework of regulatory impact assessment.

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

The AEB Customs & Transport Committee has in recent years been working successively and efficiently on amendments to Chapter 16 of the Russian Federation's Code of Administrative offences: violation of customs regulations. The results of this work – the CTC proposed amendments elaborated together with the Federal Customs Service – were introduced to the State Duma.

On 19 March 2014, the Association of European Businesses organised a visit to Port of Hamburg for the interested AEB members and Eurasian Economic Commission delegation, headed by Vladimir Goshin, Member of the Board (Minister) for Customs Cooperation, Eurasian Economic Commission.

On 9 April 2014, the AEB Customs & Transport Committee organised the 10th Annual International Conference of the Association of European Businesses (AEB): "New in the customs legislation: Practice and procedure". The representatives and experts from the business community and the officials of the Federal Customs Service of Russia (FCS) participated in the conference. The focus of the discussion was on the new developments in the customs legislation and practical aspects, such as risk management and post control after goods' release.

On 10–12 September, the AEB Customs & Transport Committee organised a visit of the Eurasian Economic Commission delegation (EEC), headed by Vladimir Goshin, Member of the Board (Minister) for Customs Cooperation of the Eurasian Economic Commission, and the AEB business delegation to Germany in order to share the best practices in customs regulations between the European Union, in particular, Germany, and Eurasian Economic Union.

On 19 November 2014, Dmitry Cheltsov, the AEB Customs & Transport Committee Chairman, talked about the European business point of view on the Customs Union customs legislation development at the International Conference "Prospects of the Customs Union customs legislation development (international and regional experience) and technological aspects of Single Window mechanism realisation", which was organised by the Eurasian Economic Commission, the Federal Customs Service and the Russian Customs Academy in the Russian Customs Academy in Lubertsy.

On 20 November 2014, Sergei Gusev, the AEB Customs & Transport Co-Chairman, made a presentation on the Draft law #611997-6 "On amendments to the art. 16.2 and 29.9 of the RF Code of Administrative Offences" at the Coordination Council for optimising movement of foreign trade cargo flows at the State Duma Transport Committee. Mr. Gusev introduced the amendments proposed by AEB members to this law, which aims to grant a possibility to foreign trade participants to declare with no administrative liability undeclared goods that have been released by customs. Coordination Council unanimously supported and approved suggested amendments.

On 5 December 2014, the AEB Customs & Transport Committee members and other representatives of international businesses in Russia met with Federal Customs service's executive officers to discuss the most acute and problematic issues in the customs sphere for businesses operating in Russia. This bi-annual meeting was moderated by Tatiana N. Golendeeva, State Secretary, First Deputy Head of the Federal Customs Service, and Dmitry Cheltsov, Dmitry Cheltsov, the AEB Customs & Transport Committee Chairman.

Moreover, the AEB Customs & Transport Committee demonstrated its activity in making amendments to the Law on Customs Regulation for the purpose of cancelling excessive control measures over the activities of customs representatives. The outcome of the many years of work aimed at resolving the task was the approval of Federal Law No. 347 on making amendments to Article 61 of the Law on Customs Regulation, dated 2 December 2013, that entered into force starting from 3 January 2014. Since then, the existence of administrative penalties imposed in accordance with certain articles of the Administrative Offences Code of the Russian Federation has been the basis for the exclusion of a legal entity from the register of customs representatives only if such penalties have not been paid within the time specified by law. The approved criterion is objective and clear for all market participants and is based on the principle of the proportionality and feasibility of the consequences attached to a committed offence. This approach will promote the development of more favourable and stable conditions for the activities of customs representatives and their clients-participants in foreign economic activities.

## ENERGY COMMITTEE

<b>AIMS</b>	<ul style="list-style-type: none"> <li>• to support the EU-RF cooperation in the energy sector, in particular through the activities undertaken by the EU-RF Energy Dialogue and the EU-RF Industrialists' Round Table;</li> <li>• to provide a forum for AEB companies involved in the Russian energy sector to discuss and address matters of common interest;</li> <li>• to maintain relations with the parties directly involved in the Russian energy sector.</li> </ul>	
<b>CHAIRPERSON</b>	<b>Igor Ignatiev</b> , Deputy Country Chair in Russia, Shell Exploration & Production Services (RF) B.V.	
<b>DEPUTY CHAIRPERSON</b>	<b>Albert Grigoryan</b> , Head of Representation in Moscow, GDF SUEZ	
<b>AEB MEMBER COMPANIES</b>	BP Russia; Chevron Neftegaz Inc.; Electricite de France; OJSC Enel; Eni S.p.A; E.ON Russia; Fortum; Gasunie; GDF SUEZ; MOL Plc; Repsol Exploracion S.A.; Statoil ASA Russia; Shell E & P Services (RF) B.V.; Total E&P Russie; VNG - Verbundnetz Gas AG; Wintershall Holding GmbH.	
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>9</b>	
<b>AEB OPEN EVENTS ORGANISED</b> (participation in open sessions was exclusively on invitations)	<b>Event Title</b>	<b>Event Date</b>
	Energy policy development, by V. Konovalov, Executive Director, Petroleum Advisory Forum	2 February 2014
	The Time of Change: New Realities & Challenges of Russian Oil & Gas Industries, by V. Drebensov, Vice President, BP Russia	21 March 2014
	Energy Strategy of Russia. Russian Energy "Ost Politik", by M. Krutikhin, RusEnergy	26 September 2014
	"Anti-Russian economic sanctions 2014: consequences for Russian TEK & its players", by A. Konoplyanik, Advisor to General Director, Gazprom Export	28 November 2014

### COMMITTEE ACTIVITIES, 2014

The AEB Energy Committee is 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), European Business Congress (EBC), 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 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 the EU headquarters in Brussels.

The Committee advocates that the 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.

On 8 April 2014, 3 July 2014 and 14 October 2014, the Committee held its now traditional CEOs breakfasts. The Committee CEOs have participated in lunch with Deputy Minister of Energy A. Inutsyn, upon the EU Ambassador invitation.

In June 2014, the Committee issued a Business Quarterly devoted to energy issues.

The Committee members participated in several major events:

- Krasnoyarsk Economic Forum (February 2014);
- RSPP Business week in Moscow (March 2014);
- TEK Rossii in XXI century in Moscow (April 2014);
- The Saint Petersburg International Economic Forum (May 2014);
- Russian Grids Forum for young energy specialists in St. Petersburg (May 2014);
- ATOMEXPO (June 2014);
- IEA, presentation of "Russia energy outlook" in Moscow (June 2014);
- 21st World Petroleum Congress in Moscow (June 2014);
- InnoProm industrial exhibition and forum in Ekaterinburg (July 2014);
- International Investment Forum in Sochi (September 2014);
- Russian-Singaporean Business Forum (September 2014);
- International Oil & Gas Conference (September 2014, Youjny Sakhalin);
- Conference "New Russia. New Energy" in Sochi (October 2014);
- St. Petersburg International Gas Forum (October 2014);
- VTB Capital "Russia Calling" in Moscow (October 2014);
- Open innovations Forum in Moscow (October 2014);
- All-Russian Conference "Priorities for the market energy sector in Russia" in Pyatigorsk (October 2014);
- International Scientific and Technical Conference by Inter RAO in Moscow (October 2014);
- International Forum on Energy Efficiency and Energy Saving (ENES) in Moscow (November 2014).

## ENERGY EFFICIENCY COMMITTEE

<b>AIMS</b>	<ul style="list-style-type: none"> <li>• to increase Energy Efficiency (EE) business opportunities for AEB members thereby contributing to a sustainable EE development in Russia;</li> <li>• to formulate and promote the AEB position on EE in Russia;</li> <li>• to inform and educate AEB members about EE developments in Russia.</li> </ul>	
<b>CHAIRPERSON</b>	<b>Vincent de Rul</b> , General Director, FENICE Rus	
<b>DEPUTY CHAIRPERSON</b>	<b>Anastasia Nazarenko</b> , Director of Operations, Lighthouse Group <b>Alexey Soldatow</b> , BSH Bytowaja Technika, Technical Regulation Manager	
<b>AEB MEMBER COMPANIES</b>	ABB; AERECO; Baker & McKenzie; BASF; Bayer; BP; BSH Group; Bilfinger; Bureau Veritas; CMS Russia; Daikin Europe NV; Deloitte; DIBD OMIR; ECOTEAM; Electricite de France; E.ON Russia; Ernst & Young (CIS)B.V.; FENICE Rus LLC; Gasunie; GDF SUEZ; IKEA; Legrand; Lighthouse Group; Lindab Buildings LLC; Noerr; Philips; Saint-Gobain; Schneider Electric; Siemens; SGS; Statoil ASA Russia; Total E&P Russie; United Technologies International Operations; Vitus Bering Management Ltd.; Wintershall Holding GmbH.	
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>11</b>	
<b>AEB OPEN EVENTS ORGANISED</b> (participation in open sessions was exclusively on invitations)	<b>Event Title</b>	<b>Event Date</b>
	Speed Dating	10 April 2014
	International Forum "Energy Efficiency & Automation in Commercial Buildings 2014 – How it can be done in Russia" + Speed Dating in the frame of the Forum	13 November 2014

### COMMITTEE ACTIVITIES, 2014

The Energy Efficiency Committee was established in 2009. From the very beginning, it has been a great success – companies from the industry, services, and energy sectors have signed up. Representatives of the Committee took an active part in drafting the new legislation on energy efficiency (EE) and energy saving.

In 2014, the Energy Efficiency Committee positioned itself as one of the authoritative bodies to which AEB members could turn to in order to get information on the general energy efficiency environment and business opportunities in Russia. Committee members actively 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 of their activities in the EE field and have accomplished important work on the Energy Efficiency Guide, which will be published in 2015 – the Energy Efficiency Guide Working Group held four separate meetings.

In 2014, the Committee continued "Speed Dating", which it launched two years to promote inter-committee relationships. This event consists of organising short meetings (10 minutes) between companies which may be interested in getting to know each other better and probably doing business together (as partner, as client – customer, others). In 2014, Speed Dating was organised twice – the second event, for the first time, took place within the framework of the International Forum "Energy Efficiency and Building Automation".

The Committee Chairman Vincent de Rul (FENICE RUS) as well as G. Fouladinejad (Schneider Electric) spoke in plenary sessions at one of the major events of the year – International Forum on Energy Efficiency and Energy Saving, which took place in Moscow in November 2014.

The Committee has working relations with Russia's Ministry of Energy, the Duma Committee for Energy and Energy Efficiency, the Russian Energy Agency, and RSPP Committee for Energy Policy and Energy Efficiency.

## FINANCE & INVESTMENTS COMMITTEE

<p><b>AIM</b></p>	<p>The mission of the Committee is to assist in and contribute to the ongoing improvement of Russia's investment climate by integrating information and discussion related to critical finance issues of prime importance for foreign companies working in Russia. The Committee serves as a forum for discussion and lobbying, as well as a platform for the exchange of information and ideas concerning finance and investments issues.</p>
<p><b>CHAIRPERSON</b></p>	<p><b>Stuart Lawson</b>, Executive Director, EY</p>
<p><b>AEB MEMBER COMPANIES</b></p>	<p>ABB; ALD Automotive; ALPE consulting OOO; American Institute of Business &amp; Economics; American Express Bank; Arval; Baker Botts L.L.P.; BEITEN BURKHARDT Moscow; BENE RUS LLC; BNP Paribas; Brother; Chadbourne &amp; Parke LLP; Chrysler Russia CJSC; Citibank ZAO; CMS, Russia; Creditreform RUS; De Lage Landen Leasing; Debevoise and Plimpton LLP; DEG Representative Office Russian Federation; Deloitte; Delonghi; Dentons (Salans, FMC, SNR Denton Europe); DS Law.Attorneys; DuPont Science and Technologies; Egorov Puginsky Afanasiev &amp; Partners (EPAM); European Bank for Reconstruction and Development (EBRD); EY; FinEx Plus; Gide Loyrette Nouel; GOLTSBLAT BLP; GRATA Law Firm; Hannes Snellman; HeidelbergCement RUS; HSBC Bank (RR) OOO; IBFS Europe GmbH; IKB Leasing ZAO; IKEA Dom; IKEA Shopping Centres Russia; Incor Alliance Law Office; ING Commercial Banking; Intercomp; Intertrust; INVESTMENT COMPANY IC RUSS-INVEST; John Deere Rus, LLC; Knauf Group CIS, OOO Knauf Gips; KPMG; LeasePlan Rus; LEROY MERLIN Russia; Lidings; MAN Truck &amp; Bus RUS LLC; Mannheimer Swartling Ryssland Advokataktiebolag; Mazars; Mercedes-Benz Financial Services Rus OOO/Mercedes-Benz Bank Rus OOO; Messe Frankfurt Rus Ltd.; Mitsubishi Corporation (Russia) LLC; Most Service; Narrative Insights; NOBLE HOUSE MANAGEMENT LLC; Noerr OOO; Norton Rose Fulbright (Central Europe) LLP; ORANTA Insurance Company, Limited liability Company; OTP Bank; Pepeliaev Group, LLC; PPG Industries LLC; PSA Peugeot Citroen; PwC; Raiffeisen-Leasing; RB Leasing/SG Finance; Repsol Exploracion S.A.; RH PARTNERS; Roedl &amp; Partner; Rosbank; Scania-Rus LLC; Schneider Electric; Sirota &amp; Mosgo; Solvay S.A.; Sponda Russia; SREI Leasing; TMF Group; Transport Lease; UniCredit Bank ZAO; Vaillant Group Rus LLC; VEGAS LEX Advocate Bureau; Vinson &amp; Elkins L.L.P.; Volvo Vostok ZAO; W St. Petersburg hotel; WELBI; YIT Rakennus Representative Office; Zurich Insurance Company.</p>
<p><b>NUMBER OF COMMITTEE MEETINGS</b></p>	<p>Committee meetings – <b>0</b> Leasing Subcommittee meetings – <b>13</b></p>

	Event Title	Event Date
<b>AEB OPEN EVENTS ORGANISED</b> (participation in open sessions was exclusively on invitations)	Webinar "Growing from small to medium-sized company: business and administrative aspects" (jointly with the AEB SME Committee)	22 April 2014
	Presentation of the AEB Annual Survey's results "Strategies and prospects for European companies in Russia"	20 May 2014
	Briefing by Boris Titov, Presidential Commissioner for Entrepreneurs' Rights Protection	30 October 2014

## COMMITTEE ACTIVITIES, 2014

One of the most important Committee projects for 2014 was the seventh annual survey "Strategies and Prospects of European Companies in Russia". The survey has become a highly valuable source of first-hand information that gives an overview of the investment potential and opportunities in Russia and highlights the key challenges that are faced by AEB member companies, as well as the strategies adopted while doing business in Russia. The results of the survey were announced in Moscow on the eve of the St. Petersburg Economic Forum (20 May 2014) and were well cited in the media. On 19 June 2014, the official presentation of the survey was also held in St. Petersburg. Furthermore, the survey was presented during the 11th AEB Flagship Conference "EU-Russia: Where Are We?" (17 June 2014).

Another important initiative was the second webinar "Growing from a small to a medium-sized company: business and administrative aspects", organised by the SME Committee and Finance & Investments Committee in partnership with the European Bank for Reconstruction and Development (EBRD) in the EBRD Office in Moscow (22 April 2014). The event was broadcast online, as well as to EBRD offices in St. Petersburg, Rostov, Samara, Yekaterinburg and Vladivostok. The webinar covered the following issues: SMEs in Russia from macroeconomic perspective, cooperation with multinationals, access to information, and consulting for SMEs.

Among other important events was a briefing by Boris Titov, Presidential Commissioner for Entrepreneurs' Rights Protection (30 October 2014). During the event, Boris Titov spoke about the business and investment climates in Russia, his achievements and prospects for the protection of entrepreneurs' rights. He also answered numerous questions about parallel import liberalisation, amnesty for imprisoned business people, the draft law that proposes to lift limitations to salary deductions to the Federal Compulsory Medical Insurance Fund, recent tax initiatives and other issues.

The 2014 edition of the AEB annual investment guide "How to invest in Russia" was released on 24 October 2014, with updates on HR, customs, joint ventures, SME development in Russia and investment in the regions. In addition, it provides an inside look at investing in Russia from the points of view of companies.

Furthermore, Stuart Lawson, Chairman of the AEB Finance & Investments Committee, participated in several non-Committee events:

- as a moderator at the AEB open event "AEB Talks on Russian Economy" (4 February 2014);
- as a speaker at the discussion "The strategy of sustainable development: priorities for investment" during the Moscow International Forum for Innovative Development "Open Innovations" (14–15 October 2014).

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

During 2014, the AEB Leasing Subcommittee discussed and worked on the following issues: "thin capitalisation" (article 269 of the Tax Code), draft law #453768-6 amending law #164 "On financial rent (leasing)" (it abolishes article 31 of the law – accelerated amortisation), the standard on accounting for rent/lease (PBU "Arenda"), IFRS-17, corporate car fleet and labour inspections, Resolution #17 of the Plenum of the Supreme Arbitration Court "On issues related to contracts of buy-back leasing" and its tax consequences, registration of pledges and recent changes, and others. The Leasing Subcommittee started collaboration with the Ministry of Economic Development (in particular, with the Department on Investment Policy and Development of the Private Public Partnership): the Subcommittee Chairman and representatives participated in activities of the Working Group on Leasing Development under the Ministry and its meeting on 23 September 2014 (chaired by Bella Panina, Deputy Director of the Department for Investment Policy and Development of Private/Public Partnership, Ministry of Economic Development) and sent a number of letters with comments and proposals on leasing issues ("thin capitalisation", accelerated amortisation). Furthermore, Subcommittee representatives (jointly with representatives of the Migration Committee, Labour Law Subcommittee, Health & Pharmaceuticals Committee) cooperated with the Federal Service on Employment (Rostrud) regarding the application of requirements for labour protection of drivers towards companies' staff who are not professionally in charge of passenger transportation, including the meeting with Rostrud representatives on 18 April 2014. In December 2014, the Subcommittee held a meeting with the Accounting Methodology Centre (BMC) to discuss the standard on accounting for rent/lease (PBU "Arenda").

## HEALTH & PHARMACEUTICALS COMMITTEE

<b>AIM</b>	To consolidate, coordinate and protect interests of the AEB member companies working in the health and pharmaceutical industry.	
<b>CHAIRPERSON</b>	<b>Sergey Smirnov</b> , Vice President, Novo Nordisk	
<b>DEPUTY CHAIRPERSON</b>	<b>Yury Litvishchenko</b> , General Manager, Chiesi Pharmaceuticals LLC	
<b>AEB MEMBER COMPANIES</b>	Astellas Pharma ZAO; Astra Zeneca Pharmaceuticals LLC; Bayer ZAO; Binder; Bionorica OOO; Boehringer Ingelheim; BOIRON; Chiesi Pharmaceuticals LLC; Cormay Group; Dentsply IH, LLC; DSM Group; EGIS Pharmaceuticals PLC; Esparma GmbH; Merck LLC; NNE Pharmaplan; Novartis Group; Novo Nordisk A/S; Orion Pharma LLC; Philips LLC; Sanofi Russia; SCA HYGIENE PRODUCTS RUSSIA LLC; SERVIER; Stada CIS; Takeda Pharmaceutical.	
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>6</b>	
<b>AEB OPEN EVENTS ORGANISED</b> (participation in open sessions was exclusively on invitations)	<b>Event Title</b>	<b>Event Date</b>
	Open event: "Federal Contract System: an impetus to improve the quality of the healthcare and social system"	29 January 2014
	Round Table "The Federal Contract System and Its Role in Improving Pharmaceutical and Medicinal Industry Competitiveness and Healthcare System Development", The V Northern Dimension Forum in St. Petersburg	3 April 2014
	Round Table of the Subcommittee on International Cooperation in the field of modernisation and innovation in healthcare and pharmaceutical industry of the Chamber of Commerce "Private-Public Partnership in the healthcare sector"	28 May 2014
	Partnering of the Federal Antimonopoly Service "Drugs in Russia – towards an interdisciplinary dialogue", Kazan	25 September 2014

### COMMITTEE ACTIVITIES, 2014

On 29 January 2014, the AEB Health & Pharmaceuticals Committee held an open event: "Federal Contract System: an impetus to improve the quality of the healthcare and social system".

The event was chaired by Sergey Smirnov, Chairman of the AEB Health & Pharmaceuticals Committee and Vice President of Novo Nordisk. The opening address was delivered by Frank Schauff, AEB CEO. The conference provided a unique opportunity to get insights into the special aspects and features of the new Federal Contract System (FCS) of the Russian

Federation and the perspectives of its development and implementation. Particular focus was dedicated to the pharmaceutical and medical industries. Business representatives shared their experiences and expectations related to the public procurement system in the healthcare sector as well as briefs on their interaction with the Moscow government on these matters. Specific issues such as possibilities for defining medicines beyond the Essential Drug List were also raised. The event will serve as base for further discussions related to the challenges and benefits of the new FCS.

On 3 April 2014, the AEB Health & Pharmaceuticals Committee held a round table on the Federal Contract System and its role in improving pharmaceutical and medicinal industry competitiveness and healthcare system development within the framework of the 5th Northern Dimension Forum in St. Petersburg. The event was co-chaired by Sergei Smirnov, Chairman of the Committee and Vice President of Novo Nordisk, as well as Alexander Borisov, General Director of OJSC Scientific and Technical Pharmaceutical Company Polysan. Speakers as well as participants represented the regional authorities responsible for drug provision and healthcare in the North-Western Federal District, federal healthcare expert institutions, pharmaceutical manufacturers that operate in the North-Western Federal District, research institutions in the healthcare and pharmaceutical fields, research/expert institutions of the North-Western Federal District, and other AEB member companies. The topics covered included:

- initial experiences of the Healthcare Committee of the Government of St. Petersburg under FL-44;
- prospects for the industry after legislative changes in the field of public procurement;
- standards of healthcare, clinical guidelines, clinical and statistical groups;
- the Essential Drugs List under the new legal regime; and special features of the public procurement of medical devices in Finland.

On 7 April 2014, members of the AEB Health & Pharmaceuticals Committee took part in the round table organised by the State Duma Committee for Health Protection and devoted to the Strategy of the development of the pharmaceuticals industry in the Russian Federation "Pharma 2020".

On 23 April 2014, Yury Litvishchenko, Deputy Chairman of the AEB Health & Pharmaceuticals Committee, took part in a meeting with Moscow Mayor Sergey Sobyenin and representatives of the international business community within the framework of the tenth anniversary of the All-Russian Forum and Exhibition GOSZAKAZ 2014. The main topic was the experiences of business with the new Federal Contract System.

On 28 May 2014, the AEB took part in the round table of the Subcommittee on International Cooperation in the field of modernisation and innovations in the healthcare and pharmaceutical industry of the Chamber of Commerce "Private-Public Partnership in the healthcare sector".

In May 2014, an informal meeting with Irinchey Matkhanov, Deputy of the State Duma of the Federal Assembly of the Russian Federation, member of the State Duma Committee for Health protection, took place. The main purpose of the meeting was to discuss and plan a joint Round Table on healthcare issues.

On 25 September 2014, the AEB Health & Pharmaceuticals Committee took part in the Second Partnering of the Federal Antimonopoly Service "Drugs in Russia – towards an interdisciplinary dialogue", which was held in Kazan, the Republic of Tatarstan. Participants discussed the advantages and disadvantages of the new Federal Contract System introduced by the FL-44 "On the Federal Contract System in the Russian Federation".

On 10 October 2014, members of the AEB Health & Pharmaceuticals Committee met with Timofey Nizhegorodtsev, Head of the Department for Control over Social Sphere and Trade of the FAS. The topic of the discussion was the Code of Conduct for pharmaceutical manufacturers.

On 29 October 2014, the AEB Health & Pharmaceuticals Committee held a meeting with Marat Sakaev, Aide to the Chairman of the Eurasian Economic Commission, who briefed on the prospects for the development of a single pharmaceutical market in the Eurasian Economic Union. The following issues were raised: patent protection, medical devices, adherence with European norms, status of the relevant agreements, inspections for compliance with the GMP standards, clinical trials, initiatives towards the protection of local producers and others.

Members of the AEB Health & Pharmaceuticals Committee took part in the launch ceremony of the Prix Galien Russia and the Prix Galien Gala Award Ceremony 2014, on 21 February 2014 and 24 October 2014, respectively. The Prix Galien recognises outstanding effort to improve the human condition by means of biomedical and technological innovation and is highly recognised in the sphere of biopharmaceutical research. The AEB belongs to the supporting organisations of the Prix Galien Russia.

On 16 December 2014, the AEB Health & Pharmaceuticals Committee met Igor Artemiev, Head of the FAS. The meeting was devoted to the development of a Code of Conduct for pharmaceuticals producers. The Committee was represented by Sergey Smirnov, Chairman, as well as by members of the Working Group on the Code of Conduct. Other representatives of the FAS included Andrey Kashevarov, Deputy Head of the Federal Antimonopoly Service of the Russian Federation.

Members of the AEB Working Group on the Code of Conduct presented the concept and the drafts general provisions for the Code of Conduct.

## HOME APPLIANCES MANUFACTURERS COMMITTEE

<b>CHAIRPERSON</b>	<b>Hans-Kersten Hrubesch</b> , BSH Bytowaja Technika Ltd	
<b>AEB MEMBER COMPANIES</b>	Ariston Thermo Rus; Brother; BSH Bytowaja technika Ltd; Daikin Europe N.V. Representative Office; Delonghi; Electrolux; LIEBHERR-RUSSLAND; Mitsubishi Electric Europe B.V. (the Netherlands) Moscow Branch; Philips LLC; Procter & Gamble; Vaillant Group Rus LLC; ZAO Groupe SEB-Vostok.	
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>4</b>	
<b>AEB OPEN EVENTS ORGANISED</b> (participation in open sessions was exclusively on invitations)	<b>Event Title</b>	<b>Event Date</b>
	Approximation of the Customs Union and the European Union Legislation in the field of energy efficiency labelling	24 October 2014

### COMMITTEE ACTIVITIES, 2014

In 2014, the AEB Home Appliances Manufacturers Committee focused on the issues of big importance for the home appliances industry, such as energy efficiency labels, CU Technical Regulations, waste management, and others. The Committee held two regular meetings and two CEO business breakfasts.

The Committee was involved in the activities of the Marketing Working Group surveillance of Project 132827 – “Approximation of EU and Russian Federation technical regulations and standardisation systems” and was presented at several events co-organised together with the RSPP and EuropeAid Project 132827.

The Committee took part in the project driven by the AEB “European Voluntary Energy Efficiency Labelling System” (EVEELS) in the sphere of domestic refrigerators as part of the pilot phase of the project.

On 24 October 2014, the Committee and EuropeAid Project 132827 – “Approximation of the EU and the Russian Federation Technical Regulations and Standardisation systems” organised an open event “Approximation of the Customs Union and European Union legislation in the field of energy efficiency labelling”. During this event the participants received the latest update on the status of development of the draft CU Technical Regulations and European Union legislation regarding energy efficiency labelling. EU and Russian experts gave their conclusions on the comparative analysis between the CU and the EU documents.

## HOTELS & TOURISM WORKING GROUP

<b>AIM</b>	To consolidate, coordinate and lobby the interests of AEB Member companies working in the tourism and hotel industries.	
<b>CHAIRPERSON</b>	<b>Armin Eberhard</b> , General Manager, Renaissance Monarch Center Moscow	
<b>AEB MEMBER COMPANIES</b>	Ararat Park Hyatt Moscow; Baltshug Kempinski Hotel Moscow; St. Regis Moscow Nikolskaya Hotel; Intercontinental Moscow Tverskaya Hotel; Marriott Grand Hotel; Marriott Royal Aurora; Marriott Tverskaya; Mamaison All-Suites Spa Hotel Pokrovka; Metropol Hotel Moscow; Radisson Royal Hotel; Renaissance Moscow Monarch Centre Hotel; Swissotel; Ibis Moscow; Paveletskaya Hotel; Novotel Moscow Center Hotel; Best Western International Hotel; Sheraton Moscow Sheremetyevo Airport; W St. Petersburg hotel; Hilton Moscow Leningradskaya Hotel; Hilton Garden Inn New Riga; Azimut Hotels Company; Double Tree by Hilton Moscow Marina; Corinthia Hotel St. Petersburg; Mercure Arbat Moscow; Sokotel LLC (Sokos Hotels); Saint Petersburg Aquamarine Hotel.	
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>27</b>	
<b>AEB OPEN EVENTS ORGANISED</b> (participation in open sessions was exclusively on invitations)	<b>Event Title</b>	<b>Event Date</b>
	The AEB Hotel & Tourism Working Group meeting with participation of the Moscow Government Committee on hospitality and tourism. Discussion of developments in the hospitality industry.	20 May 2014
	Annual Hospitality Forum	26 September 2014
	Hotels HR Directors Round Table	18 December 2014

### COMMITTEE ACTIVITIES, 2014

On 20 May 2014, Alexander Kolesnikov, Head of the Tourism Division and the Moscow Committee for the Tourism and Hotel Industry, made a presentation "Development of the Hospitality and Tourism industry by the example of Moscow city".

Mr. Kolesnikov informed the AEB Hotels & Tourism Working Group of the Moscow Government's view on attracting new feeder markets that will support the development of tourism in Moscow and Russia: primarily, they will focus on China and Chinese tourists. The Moscow Government runs a PR campaign about Moscow's tourism potential in mass media – BBC, EuroNews, as well as in Europe through the journals' publication and advertising. Mr. Kolesnikov mentioned in his speech about Moscow exhibition facilities: Vnukovo – Congress Centre, Congress Centre at Krasnaya Presnya, etc. The Moscow Government monitors the tourism attractiveness development of Moscow city on a regular basis. After the presentation, the most important issues raised by Committee members were discussed with the Moscow Committee for the Tourism and Hotel Industry such as the problems of recruitment. Mr. Kolesnikov informed about the Hospitality School

foundation together with the Intercontinental Hotel and educational projects. Another important question addressed to Mr. Kolesnikov, was about the Moscow Government's preparatory measures related to the 2018 World Cup in Russia. Mr. Kolesnikov informed the participants about the necessity of assigning classification for hotels in Moscow. The hotels have to be accredited by the Moscow Government for a collective accommodation permit by 1 July 2015. Classification will not depend on tariffs.

On 26 September 2014, the AEB Hotels & Tourism Working Group participated in the Annual Hospitality Business Forum, which was organised by the Committee for the Tourism and Hotel Industry, Moscow City Government. Armin Eberhard, Chairman of the AEB Hotels & Tourism Working Group and General Manager of Renaissance Moscow Monarch Centre Hotel, made a speech on the "European business point of view on the hospitality market in Moscow" at the Forum plenary session. During the forum, the AEB Hotels & Tourism Working Group held a separate meeting with Sergey Shpilko, Head of the Moscow City Committee for the Tourism and Hotel Industry, to discuss the most important aspects of hospitality industry development in Moscow, among them: classification of hotels, preparation for the FIFA World Cup in 2018, recruitment/quota and other issues.

On 18 December 2014, the AEB Hotels & Tourism Working Group organised a round table for Hotel HR Directors to discuss and develop the agenda of the upcoming the AEB Hospitality Career Fair.

## HUMAN RESOURCES COMMITTEE

<p><b>AIMS</b></p>	<ul style="list-style-type: none"> <li>• developing Russia's HR market;</li> <li>• lobbying for the members' interests with all necessary governmental and legislative bodies;</li> <li>• keeping business circles and government institutions in Russia informed about the state of affairs in this sphere;</li> <li>• developing solutions to HR related issues faced by foreign companies;</li> <li>• promoting the exchange of experiences between foreign and Russian HR specialists;</li> <li>• assisting AEB members in widening their contacts' databases and helping companies adapt, in general, to the Russian business environment.</li> </ul>
<p><b>CHAIRPERSON</b></p>	<p><b>Michael Germershausen</b>, Managing Director, Antal Russia</p>
<p><b>AEB MEMBER COMPANIES</b></p>	<p>AB Services; ABB; Adecco; Agroup; AIG Insurance Company; CJSC; Alexander Hughes CIS; ALD Automotive; ALRUD Law Firm; Alstom Russia Ltd; AMADEUS IT GROUP; ANCOR; Antal Russia; Aon Hewitt/AXES Management; Atlas Copco; CJSC; Avon Beauty Products Company LLC; Awara; Axel Springer Russia ZAO; Baker &amp; McKenzie; Bayer ZAO; Bearing Point OOO; BEITEN BURKHARDT Moscow; Benteler Automotive LLC; BMW Group Russia; BNP Paribas; Boehringer Ingelheim; BOIRON; Bonduelle-Kuban CCC Russia; BP; Brainpower; Brandi Partners LLC; British American Tobacco Russia; Brunel CR B.V. (Brunel Energy Russia); BUREAU VERITAS RUS CJSC; Business Psychologists Ltd. (CEB SHL Talent Measurement Solutions/SHL Russia&amp;CIS); Businessland Services Ltd.; Cargill LLC; CBSD/ThunderbirdRussia; Chevron Neftegaz Inc. – Moscow; Citibank ZAO; Coca-Cola Hellenic Bottling Co. Eurasia; Coleman Services UK; COMMUNICATOR Group; Corporate Health LLC; Credit Agricole; Daikin Europe N.V. Representative Office; Deloitte; Delonghi; Dentons (Salans, FMC, SNR Denton Europe); Deutsche Bank Ltd.; Dow Corning LLC; DSM; DuPont Science and Technologies; E.ON SE; ECOTEAM LLC; European Bank for Reconstruction and Development (EBRD); EY; Ferrero Russia; CJSC; Ferronordic Machines; FourSquares; Friisberg &amp; Partners International; FutureToday; Gide Loyrette Nouel; Goodyear Russia LLC; Heinicke Consulting LLC; Hempel ZAO; Henkel Rus OOO; Horton International LLC; HSBC Bank (RR) OOO; Human Capital Solutions; Human Search ZAO; IKEA Shopping Centres Russia; ING Commercial Banking; Intercomp; International Institute of Administration and Business (IIAB); Higher School of Economics; Interdean Relocation Services; Intermark Relocation; IWM; John Deere Rus LLC; JTI Marketing &amp; Sales; Knauf Group CIS; OOO Knauf Gips; KPMG; Lantmannen Unibake Russia; LEROY MERLIN Russia; GI Group; Linklaters CIS; L'Oreal; Manpower Group; Marriott; Marsh insurance brokers ZAO; Mazars; Mazda Motor Rus OOO; Mercedes-Benz Russia; Michelin; Mitsubishi Corporation (Russia) LLC; Move One INC; Navien Rus; Nestle Rossiya LLC; Nissan Manufacturing RUS; Noerr OOO; Nordea Bank; Norton RoseFulbright (Central Europe) LLP; Novo Nordisk A/S; Novotel Moscow Centre; OBI Russia; Orange Business Services; Orion Pharma LLC; Pepeliaev Group LLC; Performance Partners; Peterka &amp; Partners LLC; Philips LLC; PSA Peugeot Citroen; PwC;</p>

	Raiffeisen Pension Fund; Raytheon; Renault Russia; Renaissance Moscow Monarch Center Hotel; Repsol Exploracion S.A.; RHPARTNERS; Richarts Meyer; Rockwool; Roedel & Partner; Roquette; RUSMICE; RUSSIA CONSULTING; Sandvik LLC; Sanofi Russia; Schneider Electric; Servier; SGS Vostok Limited; Shell Exploration and Production Services (RF) B.V. ; Siemens LLC; SOCIETE GENERALE Strakhovanie Zhizni LLC; Specta AG; Statoil ASA; Stora Enso; Syngenta OOO; Talent Q Pro Ltd. ; TB Transekspeditsia LLC; Terrakultur; ThyssenKrupp AG Representative Office RF; TMF Group; Total E&P Russiev; Toyota Motor OOO; TPA/AXIS; Troika Relocations Ltd.; UBSBank OOO; Visa Delight; Vitus Bering Management Ltd.; VOLKSWAGEN Group Rus OOO; Volvo Cars LLC; Welcome Abroad Relocations; Work Service; X-PM CIFAL.	
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>9</b> (HR Committee General meetings – 2; HR Committee Steering Group’s meetings – 3; Assessment, Training and Development Subcommittee’s meetings – 2; Recruitment Subcommittee’s meetings – 1; Relocation Subcommittee’s meetings – 1).	
<b>AEB OPEN EVENTS ORGANISED</b> (participation in open sessions was exclusively on invitations)	<b>Event Title</b>	<b>Event Date</b>
	AEB Relocation Conference “Bringing Expats to Russia”, organised by the AEB Relocation Subcommittee	27 February 2014
	AEB HR Conference “Modern Trends in HR”	27 March 2014
	AEB Open Event — HR Debates “General Manager at the Age of 30. Is This the Future?”, organised by the AEB Recruitment Subcommittee	24 April 2014
	Sixth Annual HR-Conference in Krasnodar organised by the AEB Southern Regional Committee “Trends in the Field of HR Management” organised by the AEB Southern Regional Committee with the support of the AEB HR Committee	22 May 2014
	AEB Open Event “HR Game”, organised by the AEB Assessment, Training and Development Subcommittee	27 August 2014
	AEB Business Meeting “Overview of Salary Surveys in Russia”, organised by the AEB Compensation & Benefits Subcommittee	13 November 2014

## COMMITTEE ACTIVITIES, 2014

27 February 2014, the AEB Relocation Conference “Bringing Expats to Russia” was a full-day conference focused on the latest developments in the areas of property and relocation, corporate relocation policies, settling in Moscow, the market for hotels and serviced accommodation, schooling, support systems for families, immigration and labour law, and the employment of foreign nationals in Russia, etc.

27 March 2014, the AEB HR Conference “Modern Trends in HR” was focused on modern trends in HR. The event provided the platform for a discussion of ways that help companies to adapt their global strategies to the local market. HR professionals exchanged views on how to efficiently manage emerging trends affecting the workplace and its potential.

The programme of the conference consisted of four special sessions focused on modern trends in employer branding, compensations & benefits, assessment, training & development, and labour law. The HR Directors' panel discussion closed the conference.

24 April 2014, the AEB Open Event – HR Debates “General Manager at the Age of 30. Is This the Future?” with two teams participating affirmative and negative. Three members of the affirmative one tried to prove how and why the statement “General Manager at the age of 30 is the future” is true. Three members of the negative team tried to do the opposite. Each speaking member of the teams provided his/her arguments and ideas. The event was followed by a questions and answers session.

22 May 2014, the Sixth Annual HR-Conference in Krasnodar “Trends in the Field of HR Management” was focused on the main trends in the Russian HR market.

26 June 2014, All-Russian Conference on Zayomny Trud in St. Petersburg, organised by the World Trade Centre in St. Petersburg. Olga Bantsekina, First Deputy Chair of the AEB Board and Chief Representative of Coleman Services UK, participated as a speaker and member of the Expert Council within the conference preparation. Evgeny Reyzman, Deputy Chair of the AEB Labour Law Subcommittee and Counsel with Baker & McKenzie, participated as a speaker and a conference moderator.

27 August 2014, AEB open event “HR Game” was a business simulation, structured as a business game. The concept of this event was jointly developed by the AEB Assessment, Training and Development Subcommittee, and by Oleg Zamyshlyayev Lab. The game was designed for HR-managers and for everyone who needs to the tools of human resource management process, to understand the relationship and the consequences of decisions, work in the development of management strategies and employee motivation. The participants formed several teams competing in one market and struggling for talent. The participants had a chance to discuss the outcomes and relate them to real-life talent management strategies.

10 November 2014, “HR Seminar for Korean Companies Working in Russia” organised by the Economic Department of the Consulate General of South Korea in St. Petersburg. A presentation was given by Luc Jones, partner with Antal Russia on EVP (non-material motivation tools).

13 November 2014, the AEB Business Meeting “Overview of Salary Surveys in Russia”, which has been held annually for the past seventeen years, followed the format of a panel discussion. All the major providers of salary surveys in Russia including EY, PwC, HayGroup and Human Capital Solutions were invited as speakers.

## INSURANCE & PENSIONS COMMITTEE

<b>AIM</b>	The Insurance & Pensions Committee aims to level the playing field between local and foreign operators in the insurance and pensions sectors, as well as to provide direct technical policy advice to European and Russian government officials.	
<b>CHAIRPERSON</b>	<b>Alexander Lorenz</b> , Chairman of the Council, Raiffeisen Pension Fund	
<b>DEPUTY CHAIRPERSON</b>	<b>Vladimir Sukhinin</b> , Head of Business Processes Control and Methodology, Cardif Insurance Company	
<b>AEB MEMBER COMPANIES</b>	ACE Insurance Company, CJSC; AIG Insurance Company, CJSC; Allianz IC OJSC; Cardif Insurance Company; CMS, Russia; General Reinsurance AG; INTOUCH INSURANCE; MAI Insurance Brokers; Marsh insurance brokers ZAO; MetLife; Norton Rose Fulbright (Central Europe) LLP; ORANTA Insurance Company, Limited liability Company; PwC; Raiffeisen Pension Fund; Rosgosstrakh; Russian Reinsurance Company; Russian Standard Insurance; SCOR Representative Office; SOCIETE GENERALE Strakhovanie Zhizni LLC; Tinkoff Online Insurance JSC; VSK IOJSC; WELBI; Zurich Insurance Company.	
<b>NUMBER OF COMMITTEE MEETINGS</b>	Committee meetings – <b>10</b> Meetings of the Working Group on Insurance Legislation – <b>3</b> Meetings of the Working Group on Pensions – <b>4</b>	
<b>AEB OPEN EVENTS ORGANISED</b> (participation in open sessions was exclusively on invitations)	<b>Event Title</b>	<b>Event Date</b>
	Open event "Electronic insurance in Russia"	21 May 2014

### COMMITTEE ACTIVITIES, 2014

There are two working groups within the Committee to address specific areas of focus, namely:

- the Working Group on Insurance Legislation (chaired by Maria Yurieva, Zurich Insurance Company),
- the Working Group on Pensions (chaired by Arkadiy Nedbai, Allianz IC OJSC).

In 2014, the Committee continued to develop cooperation and held regular meetings with key state partners:

- the Committee strengthened its collaboration with the new insurance regulator – the Central Bank (in particular, with the Insurance Market Department at the Central Bank) and provided its comments and proposals on a number of insurance issues. In February, the Committee representatives held a meeting with Igor Zhuk, Deputy Head, Central Bank's Service for Financial Markets (currently Director of the Insurance Market Department, Central Bank of Russia), to discuss such issues as: plans of the regulator, OSAGO limits and tariffs, electronic insurance policies, insurance assets, custodians for insurance companies and further cooperation with the regulator. Starting from October 2014, Vladimir Sukhinin, Deputy Chairman of the Committee, is a member of the Central Bank's Expert Council on Insurance. In November, the AEB Insurance & Pensions Committee representatives delivered a presentation at the meeting of

the Central Bank's Expert Council on Insurance regarding current problems in the insurance market (court practice, cooperation with Rospotrebnadzor and other agencies, representation in OSAGO and etc.) and the Committee's suggestions to solve them (the AEB suggestions were met with keen interest, lively discussed and mostly supported by the Expert Council members). Also, the Committee initiated communication with the Central Bank on pensions and sent its comments on the legislation of non-state pension funds and the European experience;

- the Committee continued dialogue with the Ministry of Finance, which usually reacts positively to proposals made by the Committee. In May, Dmitry Nikulshin, Head of the Division for the Regulation of Insurance Activities, Department of Financial Policy, Ministry of Finance of the Russian Federation, delivered a presentation on legislative and regulatory framework of electronic insurance in Russia during the Committee event. The Committee provided its comments and proposals on a number of insurance issues and asked to include the Committee representatives in the Reference Group on Legislation under the Ministry of Finance;
- the Committee continued its cooperation with the State Duma Committee on Financial Markets. Vladimir Sukhinin, Deputy Chairman of the Committee, is a member of the Expert Council on Insurance Legislation (under the State Duma Committee on Financial Market) and regularly participates in its meetings;
- the Committee continued to interact with the Federal Antimonopoly Service (FAS), in particular, regarding limitations on the size of agency fees. Four Committee representatives were included in the Expert Council on the Protection of Competition in the Financial Services Market (a section of the insurance services market) under the FAS.

Furthermore, the Committee initiated and actively participated in the discussion and preparation of the conclusion for the regulatory impact assessment of Order #67 of the Ministry of Finance (regarding the OSAGO form). Several Committee representatives took part in the meeting on this issue at the Ministry of Economic Development (chaired by Anna Makarenko, Deputy Head of the Department on Regulatory Impact Assessment, Ministry of Economic Development) on 28 February 2014.

On 21 May 2014, the Committee held an open event "Electronic insurance in Russia" with the participation of representatives of the Ministry of Finance and the Central Bank, where the participants discussed recent trends and developments in electronic insurance in Russia and exchanged experiences and ideas.

In 2014, the following key topics were under discussion at the Committee: electronic insurance, tariff corridor (OSAGO), legislation of non-state pension funds and the European experience, limitations for the insurance market development, implications of personal group insurance, draft laws on the financial ombudsman, responsibilities between the Central Bank and Rospotrebnadzor regarding the activities of insurance companies, OSAGO representation system, permissibility of agreements between banks and insurers, limitations to the size of agency fees, custodians for insurance companies, and others.

## INTELLECTUAL PROPERTY COMMITTEE

<p><b>AIMS</b></p>	<ul style="list-style-type: none"> <li>• to monitor changes in IP legislation in general and in Part IV of the RF Civil Code in particular;</li> <li>• to protect the rights of inventors, authors and IP rights owners and prevent unauthorised use of intellectual property;</li> <li>• to monitor the application of the Arbitration Procedural Code in cooperation with the Supreme Commercial Court;</li> <li>• to provide legal support services (informational briefings and seminars, regular legislative up-dates) for AEB members on IP related issues;</li> <li>• to undertake expert review of draft AEB letters and policy papers on existing and proposed Russian intellectual property legislation: copyright, patents, trademarks, industrial design rights, utility models, geographical indication, trade secrets, related rights, trade names;</li> <li>• to undertake expert review of the court practice and also to conduct comparative analysis of the court practice in Russia and the European Union;</li> <li>• to provide a forum for the exchange of information, analysis, and views between the AEB members on new developments in Russian laws and legal practice in the field of intellectual property rights.</li> </ul>
<p><b>CHAIRPERSON</b></p>	<p><b>Eugene Arieovich</b>, Partner, Baker &amp; McKenzie</p>
<p><b>DEPUTY CHAIRPERSON</b></p>	<p><b>Anton Bankovskiy</b>, Head of IP Practice, CMS;  <b>Tatiana Sazonova</b>, Head Philips IP&amp;S (Russia, Ukraine, Belarus &amp; Central Asia);  <b>Denis Voevodin</b>, Partner, DENTONS</p>
<p><b>AEB MEMBER COMPANIES</b></p>	<p>1 Forma LLC; Alinga Consulting; Allen &amp; Overy Legal Services; ALPE consulting OOO; ALRUD Law Firm; Alstom Russia LTD; AstraZeneca Pharmaceuticals LLC; Atlas Corco, CJSC; BEITEN BURKHARDT; Baker Botts LLP; Baker &amp; McKenzie CIS Ltd.; Bayer ZAO; BEITEN BURKHARDT Moscow; BMW Group Russia; Bonduelle-Kuban; Caterpillar Eurasia LLC; Borenius Russia LTD; CMS Russia; Credit Agricole Corporate and Investment Banl; Deloitte; Delonghi; Dentons; DLA Piper; DS Law. Attorneys; Egorov Puginsky Afanasiev &amp; Partners (EPA&amp;P); ElaN Languages Moscow; Electrolux; EY; Ford Sollers Holding LLC; Goltsblat BLP; Google; Grayling Eurasia OOO; HERE Europe B. V.; IKEA Shopping Centers Russia; Integrites International Law Firm; JETRO; Kia Motors RUS, LLC; KPMG; L’Oreal; Mannheimer Swartling; Mazars; Mercedes-Benz Russia ZAO; Michelin; Nestle; Nissan Manufacturing RUS; Noerr; Novartis Group; Pepeliaev Group; Peterka &amp; Partners LLC; Philip Morris Sales and Marketing; Philips LLC; Porsche Russland; Procter &amp; Gamble; PwC; Renault Russia; Roedl &amp; Partner; Sanofi Russia; Rouse &amp; Co. International (UK) Ltd.; Scania-Rus LLC; Shevyrev and Partners, Bureau of attorneys; Siemens LLC; Syngenta OOO; Toyota Motor OOO; VEGAS LEX Advocate Bureau; Vlasta-Consulting LLC; Volkswagen Group Rus OOO.</p>
<p><b>NUMBER OF COMMITTEE MEETINGS</b></p>	<p><b>6</b></p>

	Event Title	Event Date
<b>AEB OPEN EVENTS ORGANISED</b> (participation in open sessions was exclusively on invitations)	Round Table "Intellectual Property and Social Media" (together with the AEB PR & Communications Committee)	25 April 2014
	Annual Conference "Intellectual Property Rights: recent trends, court practices, problems and solutions"	26 June 2014

## COMMITTEE ACTIVITIES, 2014

On 24 April 2014, the AEB Intellectual Property Committee took part in the International Conference "Industrial Designs: Past, Present, Future" organised by the Federal Service for Intellectual Property of the Russian Federation (ROSPATENT). The Conference was devoted to the 150th anniversary of the first Russian design law and was held at ROSPATENT as part of the events dedicated to the celebration of the World Intellectual Property Day.

On 25 April 2014, the AEB Intellectual Property Committee and the AEB PR Committee held a Round Table "Intellectual Property and Social Media". During the event, the topics covered included:

- qualification of Intellectual Property (IP) infringements in social media;
- ways of responding to IP infringement claims in social media; social networks and moral rights;
- social networks as informational intermediaries;
- role and meaning of corporate social media in internal communication and PR;
- Russian and European practices of intellectual property in the PR industry, and others.

The event was co-moderated by Ekaterina Tilling, Deputy Chairperson of the AEB Intellectual Property Committee, and Igor Reichlin, Chairman of the AEB PR Committee.

On 26 June 2014, the AEB Intellectual Property 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 Annual IP Conference serves as a valuable platform for experts in Intellectual Property issues, creating the opportunity to learn about the most important issues on IPR protection through face-to-face interactions with representatives of state bodies, courts and leading legal companies, as well as providing a valuable discussion platform. The event was moderated by Eugene Arievidich, Chairman of the AEB Intellectual Property Committee and a Partner of Baker & McKenzie. Vygaudas Ušackas, Ambassador and Head of the EU Delegation in the Russian Federation, welcomed the participants. Speakers from Russian state bodies (Federal Antimonopoly Service, Federal Customs Service, ROSPATENT, Court for Intellectual Property Rights), international organisations (Eurasian Economic Commission, European Commission) addressed a variety of topics ranging from the new IP-related changes in Russian legislation, case law overview, IPR protection within the Customs Union and Single Economic Space, and the EU IPR strategy in third countries. Also this year, special attention was paid to the case of "Soviet" brands, changes to the Civil Code, IPR infringement in the Internet, the practices of online contracts, protection of exclusive rights and trademarks and other issues.

On 11 December 2014, the AEB Intellectual Property Committee took part in the Seminar to Present and Discuss the Gap Study of Provisions of the EU Legal Acts and the Civil Code of the Russian Federation, Ch. IV Related with Trade

Marks and Designs". The Seminar was organised by the Delegation of the European Union to the Russian Federation and the Federal Service for Intellectual Property (ROSPATENT). The Committee was represented by Eugene Arievich, Chairman of the AEB Intellectual Property Committee and Partner at Baker & McKenzie; Tatiana Sazonova, Deputy Chair of the AEB Intellectual Property Committee and Head of Philips IP&S (Russia, Ukraine, Belarus & Central Asia), European Patent Attorney; and Anton Bankovskiy, Deputy Chairman of the AEB Intellectual Property Committee and Head of IP Practice at CMS. The event was aimed at discussing the draft study which compares the system of IPR protection in the EU and Russia, identifies gaps and proposes relevant recommendations. The study is carried out as part of the Project "Modernisation of the IPR System of the Russian Federation" by the Office for Harmonisation in the Internal Market (OHIM) and ROSPATENT.

## IT & TELECOM COMMITTEE

<b>AIMS</b>	<ul style="list-style-type: none"> <li>• to promote the interests of the AEB member companies in IT &amp; Telecom through governmental liaison and information exchange;</li> <li>• to assist AEB members on changes, best practices, legal and regulatory issues in IT &amp; Telecom.</li> </ul>	
<b>CHAIRPERSON</b>	<b>Edgars Puzo</b> , General Director, Atos	
<b>DEPUTY CHAIRPERSON</b>	<b>Natalia Schneider</b> , Deputy Head of Representation, Telenor	
<b>AEB MEMBER COMPANIES</b>	1 Forma; Accenture; ALPE consulting; Antal Russia; Association of Regional Telecom Operators; Atos; Beiten Burkhardt; Brother; CMS Russia; Detecon Consulting; Egorov Puginsky Afanasiev & Partners; FTS Maconomy; Google Russia; Noerr; Nokia Solutions & Networks; Orange Business Services; PwC; Pepeliaev Group; RUSSIA CONSULTING; SAP C.I.S; Telenor Group; Tele 2 Russia International Cellular B.V.; TeliaSonera International Carrier; Tieto.	
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>6</b>	
<b>AEB OPEN EVENTS ORGANISED</b> (participation in open sessions was exclusively on invitations)	<b>Event Title</b>	<b>Event Date</b>
	Taxation & Legal Issues in the IT & Telecom Industry (jointly with the AEB Taxation Committee)	2 April 2014
	Social Networks in Business for Internal & External Using	8 July 2014
	Challenges to Existing Business Models: IT Legislation Changes	23 October 2014

### COMMITTEE ACTIVITIES, 2014

In 2014, the AEB IT & Telecom Committee, which is one of the most active within the AEB at organising open events for members, covered a wide range of topics. The Committee always endeavours to maintain a constant pulse with regard to new technology emerging not only from within the IT & Telecom industry but from satellite sectors also.

In 2014, the main lobbying efforts of the Committee were concentrated on FL-242, which was adopted in three readings by the Duma and which has drastically changed the industry landscape even though the law does not enter force in September 2016 as it initially planned, but in September 2015. The Inter-committee Working Group was established in July and is moderated by Edgars Puzo, Chairman of the AEB IT & Telecom Committee. The Working Group held four meetings and wrote several letters to the Russian authorities in order to clarify disputed legal and technical issues.

The AEB open event "Challenges to Existing Business Models: IT Legislation Changes", organised on 23 October 2014 was well attended (86 participants). The Working Group also met with the Internet Ombudsman D. Marinichev in December 2014.

## LEGAL COMMITTEE

<p style="text-align: center;"><b>AIMS</b></p>	<ul style="list-style-type: none"> <li>• to provide legal support services (informational briefings and seminars, legislation updates) to AEB members;</li> <li>• to participate in Russian legislation proceedings in the interest of AEB members;</li> <li>• to promote the exchange of companies' practical experience related to different legal aspects of legislation development in the RF and the EU countries;</li> <li>• to provide a forum for the exchange of information, analysis, and views between AEB members on new developments in Russian law and legal practice;</li> <li>• to prepare recommendations for the Russian legislation, i.e. motivate implementation and application of existing international standards;</li> <li>• to participate in the Russian legislation procedure by presenting international experience, and lobbying for AEB members' interests and holding open discussions, sharing AEB members' practice with the Russian authorities.</li> </ul>
<p style="text-align: center;"><b>CHAIRPERSON</b></p>	<p><b>Alexander Kozhukhov</b>, Legal Counsel, Siemens</p>
<p style="text-align: center;"><b>DEPUTY CHAIRPERSON</b></p>	<p><b>Sergey Krokhalov</b>, Partner, Baker &amp; McKenzie</p>
<p style="text-align: center;"><b>AEB MEMBER COMPANIES</b></p>	<p>ABB Russia; Adecco; Akzo Nobel N.V.; Alinga Consulting Group; Allen &amp; Overy Legal Services; ALRUD Law Firm; Alstom Russia Ltd; Astra Zeneca Pharmaceuticals LLC; Attorneys at Law Borenium Russia Ltd; Auchan; Baker &amp; McKenzie CIS Ltd.; Baker Botts L.L.P.; BASF; BBH Legal LLC; BearingPoint OOO; BEITEN BURKHARDT Moscow; BMW Group Russia; BP Russia; Caterpillar Eurasia LLC; Clifford Chance; CMS Russia; Coleman Services UK; Danone Russia; Danske Bank Russia; Deloitte; Dentons; DLA Piper; DS Law. Attorneys; DuPont Science &amp; Technologies; ECOTEAM LLC; Egorov, Puginsky, Afanasiev &amp; Partners; EY; Flex; Ford Sollers Holding LLC; FORTUM OYJ; General Motors Russia &amp; CIS LLC; Gide Loyrette Nouel; Goltsblat BLP; Grata Law Firm; Hannes Snellman LLC; HeidelbergCement RUS; Henkel Rus OOO; HSBC Bank OOO; IBFS Europe GmbH; IKEA Shopping Centers; Incof Alliance Law Office; K&amp;L Gates; Kia Motors Rus, LLC; KPMG; L'Oreal; LegaLife Law Firm; Lidings; Mannheimer Swartling; Mazars; Mitsubishi; M.Video; Nissan Manufacturing RUS; Noerr OOO; Nokia Solutions and Networks; Novo Nordisk A/S; Orange Business Services; Orrick (CIS) LLC; Pepeliaev Group, LLC; Peters &amp; Partners LLC; Philip Morris Sales and Marketing; Philips LLC; Porsche Russland; PPG Industries LLC; Procter&amp;Gamble; PSA Peugeot Citroen; PwC; Renault Russia; Repsol Exploration S.A.; Robert Bosch OOO; Roedel &amp; Partner; Rouse &amp; Co. International (UK) Ltd; Sanofi Russia; Schulze, Brutyan and Partners LLC; Secretan Troyanov Schaer S. A.; Shevyrev &amp; Partners; Siemens LLC; Sirota &amp; Mosgo; Smirthbridge Advisory Services Ltd; SOCIETE GENERALE Strakhovanie Zhizni LLC; Stada CIS; Syngenta OOO; Thomson Reuters; Tinkoff Online Insurance, JSC; TMF Group; Toyota Motor, OOO; United Technologies International Operations Inc; Vaillant Group Rus LLC; VEGAS LEX Advocate Bureau; Vinson &amp; Elkins L.L.P.; VISA; Volkswagen Group Rus; Volvo Cars LLC; WELBI; ZAO "Groupe SEB-Vostok"; Zurich Insurance Company.</p>

<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>8</b>	
<b>AEB OPEN EVENTS ORGANISED</b> (participation in open sessions was exclusively on invitations)	<b>Event Title</b>	<b>Event Date</b>
	Business Meeting "Ukraine-related challenges for business: what to know and how to respond?"	7 July 2014
	Briefing by Igor Artemiev, Head of the Federal Antimonopoly Service of the Russian Federation	23 September 2014
	Business meeting "AEB In-House Counsel Day"	21 November 2014

## COMMITTEE ACTIVITIES, 2014

On 18–21 June 2014, Sergey Krokhaliev, Deputy Chairman of the AEB Legal Committee, took part in the IV St. Petersburg International Legal Forum. The AEB acted as informational partner of the Forum. The Forum is one of the largest discussion platforms where representatives of the global legal and business elite discuss the most pressing issues and trends in law and economics.

On 7 July 2014, the AEB Legal Committee held its Business Meeting "Ukraine-related challenges for business: what to know and how to respond?"

The event served as a special platform for in-house lawyers, consultants and other representatives of AEB member companies to analyse the impact of the EU and the US sanctions on the economic activities of companies operating in the Russian Federation, to discuss problems the companies have to face when carrying out their economic activities in the Crimea, to share their experiences and concerns and to get practical advice from experts. Special discussion points were the US and the EU economic sanctions, difficulties of the new legal environment, the impact on current business structures, contracts, customs issues, taxation, distribution and logistics problems.

On 23 September 2014, the AEB Legal Committee organised a briefing by Igor Artemiev, Head of the Federal Antimonopoly Service of the Russian Federation. Mr. Artemiev's speech was devoted to the topic: "Federal Antimonopoly Service: current practice and further developments of antitrust legislation. Continuing the dialogue".

On 23 October 2014, the AEB Legal Committee met Alexander A. Sagin, Head of the Legislative and Methodology Department of the Federal Notary Chamber. The main topics for discussion were: the notarisation of shareholders/participants' meetings and the register of pledges of movable properties.

On 21 November 2014, the AEB Legal Committee held its In-House Counsel Day for the second year in a row. This event provided a unique opportunity to general counsels and senior in-house lawyers to share their experience and challenges they face.

The meeting was co-chaired by Alexander Kozhukhov, Chairman of the AEB Legal Committee, and Sergey Krokhaliev, Deputy Chairman of the AEB Legal Committee. Dr. Frank Schauff, AEB CEO, held a welcome speech for the participants. Heads of the legal departments of AEB member companies from different industries, as well as representatives of legal firms, discussed issues related to legal department management, interaction with regulators, litigation, ethics and compliance.

## MACHINE BUILDING & ENGINEERING COMMITTEE

<b>AIMS</b>	<ul style="list-style-type: none"> <li>• to take part in governmental policy making, in the areas related to the power and machine building industries, in an attempt to create clear rules to promote the development of a market where all participants have equal rights;</li> <li>• to initiate changes in environmental legislation, taking into account the stringent environmental requirements of consumers, resulting in a better performance of power stations and implementation of new technologies;</li> <li>• to render support to the Committee member-companies operating in Russia;</li> <li>• to monitor the development of the machine building market in Russia;</li> <li>• to facilitate the exchange of information and international experience in the field of machine building which can subsequently be applied to the Russian environment;</li> <li>• to unite representative of different industries with stake in the Machine Building Sector.</li> </ul>	
<b>CHAIRPERSON</b>	<b>Philippe Pegorier</b> , President, Alstom Russia	
<b>DEPUTY CHAIRPERSON</b>	<b>Ilya Oshkin</b> , Business Development, Dow Corning GmbH	
<b>AEB MEMBER COMPANIES</b>	ABB; Alstom Russia; Bilfinger; Caterpillar Eurasia LLC; Deloitte; Dow Corning; Eberspaecher Rus; ECOTEAM; John Deere; Mersen Rus; METSO; Mitsubishi Electric; PwC; Parker Hannifin; SPb EC; Schneider Electric; Siemens; Spectrum Group; Tebodin Eastern Europe B.V.; Thost Russia Projektmanagement; ThyssenKrupp AG; VegasLex.	
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>3</b>	
<b>AEB OPEN EVENTS ORGANISED</b> (participation in open sessions was exclusively on invitations)	<b>Event Title</b>	<b>Event Date</b>
	AEB-Skolkovo Partnership (jointly with the AEB Working Group on Modernisation & Innovations)	30 January 2014
	Briefing by Eric Peters, Advisor, Bureau of European Policy Advisers to the President of the European Commission	06 March 2014
	Briefing by Denis Manturov, the RF Minister of Industry & Trade	17 April 2014
	Engineering in Industrial Sector as a Key Factor of Development	28 October 2014

### COMMITTEE ACTIVITIES, 2014

The AEB Machine Building & Engineering Committee tries to keep a delicate balance between the topics and issues common to representatives of other "neighbouring" branches such as automobile manufacturing, auto components, construction equipment, technical regulations and standardisation trying to act in synergy with other AEB Committees. In 2014, the Committee continued to monitor the development of the Russian machine building market, organising regular open events tackling the most important issues from the Committee's point of view such as localisation; infrastructure; customs clearance; innovations; human resources; standardisation and certification.

The main event for the Committee in 2014 was the Briefing by Denis Manturov, the Minister of Industry & Trade, which took place in April 2014.

## MIGRATION COMMITTEE

<p><b>AIMS</b></p>	<ul style="list-style-type: none"> <li>• to monitor immigration legislation and practice developments in the Russian Federation;</li> <li>• to promote the exchange of companies' practical experience related to the immigration issues in the Russian Federation (RF) and the European Union (EU) countries;</li> <li>• to promote information exchange regarding different international practices/policies and their relevance to Russia;</li> <li>• to build a strong relationship with various immigration and labour authorities to lobby immigration related issues and hold open discussions and share information with AEB member-companies;</li> <li>• to identify the most problematic issues in immigration area that the AEB member companies face; address these issues through further discussions with the authorities and resolve them;</li> <li>• to keep the AEB member companies updated on all immigration related activities so as to avoid possible immigration related risks and promote effective business planning;</li> <li>• to organise meetings/Round Tables/joint events involving the participation of the Russian state immigration and labor authorities.</li> </ul>	
<p><b>CHAIRPERSON</b></p>	<p><b>Liudmila Shiryaeva</b>, Government Relations Director, Tax and Law, EY</p>	
<p><b>DEPUTY CHAIRPERSONS</b></p>	<p><b>Alexey Filipenkov</b>, Partner, Visa Delight  <b>Maxim Novikov</b>, Senior HR Manager, Head of Migration &amp; Customs Group, People Department, KPMG  <b>Andrey Slepov</b>, Senior Associate, Beiten Burkhardt</p>	
<p><b>AEB MEMBER COMPANIES</b></p>	<p>Alinga Consulting and Audit; Allen &amp; Overy Legal Services; Baker &amp; McKenzie CIS Ltd.; BAT; BP; Bayer AG; BEITEN BURKHARDT; Continental Tires RUS LLC; CMS Russia; Danone; Deloitte; DLA Piper; DuPont Science &amp; Technologies; Ernst &amp; Young; Gide Loyrette Nouel; Goltsblat BLP; IKEA; Korean Airlines; KPMG; Mercedes-Benz Russia; Move One Relocations; NOERR; Orrick; Pepeliaev Group; PwC; Salans; Scania Rus LLC; Secretan Troyanov-Schaer; Siemens; Telenor; Visa Delight; Volvo Vostok ZAO; Unicredit Bank.</p>	
<p><b>NUMBER OF COMMITTEE MEETINGS</b></p>	<p><b>11</b></p>	
<p><b>AEB OPEN EVENTS ORGANISED</b> (participation in open sessions was exclusively on invitations)</p>	<p><b>Event Title</b></p>	<p><b>Event Date</b></p>
	<p>Round Table with the Head of Moscow Labour Centre, Department on labour and employment of the Moscow Government</p>	<p>11 April 2014</p>
	<p>Migration Committee meeting with the FMS on recent changes in the migration legislation</p>	<p>22 April 2014</p>
	<p>Migration Committee Open Event with the FMS and the Ministry of Education</p>	<p>24 July 2014</p>

<b>AEB OPEN EVENTS ORGANISED</b> (participation in open sessions was exclusively on invitations)	Round Table on quota for hiring foreign employees with participation of Vadim Kudryashov, the Head of the Labour and employment department	10 December 2014
	The AEB Annual Migration Committee open event with participation of the Federal Migration Service	19 December 2014

### COMMITTEE ACTIVITIES, 2014

The AEB Migration Committee conducted a series of meetings with representatives of the Federal Migration Service (FMS), the Ministry of Education, the Moscow Government and Rostrud, where the problem areas in the migration system were discussed. It was also discussed how to combine efforts to ensure a simplified visa regime between the EU and Russia.

The Migration Committee raised the issue of an urgent need for clarification of the new regulation on exams for expats, notification on dual citizenship, new rules on tax accounting for foreign employees, real estate purchases by foreign citizens and foreign companies, patent system for foreign employees from the near-abroad countries etc., and further work on them in the interest of AEB member companies at the highest level.

On 24 July 2014, the Committee organised an open meeting, which was dedicated to the mandatory exams in the Russian language, history and legislation for foreign employees (except, highly qualified professionals), introduced by Federal Law N 74-FL dated 20 April 2014, which amends Law 115-FL "On the Legal Status of Foreign Citizens in the Russian Federation". The Law will come into force from 1 January 2015.

The representatives of the Federal Migration Service of Russia, the Ministry of Education and Science and the Russian Peoples' Friendship University (РУДН) were guest speakers at the Event.

On 10 December 2014, the AEB Migration Committee organised a round table with participation of the Moscow Department of Labour and Employment regarding the quotas for hiring foreign employees in Moscow for 2015 and status of the quotas for 2014, as well as some other topics related to hiring foreign employees within the competence of the Department. Vadim Kudryashov, Head of Moscow Department of Labour and Employment, and Alexander Ni, Deputy Head of Division of labour migration, Moscow Department of Labour and Employment, informed participants about the main reasons behind the rejection of company quota application forms for 2015; quota procedures and the forecast for 2015, including the quota issue in view of the introduction of the patent system for the foreign employees from non-visa countries. The parties agreed to organise future meetings on a regular basis, so that AEB members are kept aware of the latest changes and approaches.

On 19 December 2014, the AEB Migration Committee organised the Annual Open meeting with the participation of the Federal Migration Service. This traditional year-end event covered recent legislative developments in the immigration sphere, new initiatives introduced to legislation, in particular, the new patent system for foreign employees from non-visa countries, the draft law on migration control, as well as practical migration matters, such as notifying the FMS of on dual Russia citizenship, the requirement of biometric personal data, exams for foreign employees, changes to the Labour Code etc.

## NORTH-WESTERN REGIONAL COMMITTEE

<p><b>AIMS</b></p>	<ul style="list-style-type: none"> <li>• to improve the business environment and increasing the transparency and development of honest business opportunities in the region;</li> <li>• to facilitating cooperation with local and federal authorities in order to solve the problems or to benefit member companies and/or their business sectors;</li> <li>• to provide platforms, such as Subcommittees or working groups, to resolve members' business problems;</li> <li>• to organise events and other meeting opportunities for networking purposes;</li> <li>• to cooperate with consulates and other bodies of the European Union in the region;</li> <li>• to cooperate with other business associations;</li> <li>• to provide quality information for the needs of member companies.</li> </ul>
<p><b>CHAIRPERSON</b></p>	<p><b>Timo Mikkonen</b>, Director, Vostok Consulting Oy</p>
<p><b>DEPUTY CHAIRPERSON</b></p>	<p><b>Mikko Soderlund</b>, Managing Director, St. Petersburg, SRV Group</p>
<p><b>AEB MEMBER COMPANIES</b></p>	<p>Abloy; Accountor M; Air France; Adecco; Akzo Nobel N.V.; Allianz IC OJCS; ALD Automative; Alinga Consulting; Alstom; Armadillo Business Parcel (DPD in Russia); Ancor; Antal Russia; Ariston Thermo; Astron Buildings; ATTORNEYS AT LAW BORENIUS RUSSIA LTD; AWARA Group; Baker &amp; McKenzie CIS Ltd.; BASF; BDO/Ascour; Beiten Burkhardt; Betset ZAO; BENE Rus; BSH Goup; Bureau Veritas; Business Psychologists; Calderys; Capital Legal Services; Castren&amp;Snelman; Citibank; Coleman Services; Commerzbank; Continent; Corinthia Hotel, Credit Agricole Corporate &amp; Investment Bank; Danske Bank; Deloitte; Delta Airlines; Dentons; Deutsche Bank; DHL; DLA Piper Rus St. Peresburg; Dow Corning; DS Law; E.ON Russia OOO; East Office of Finnish Industries; Education First; Egis; EGO Translating; Egorov Puginsky Afanasiev &amp; Partners; EKE Group; European Bank for Reconstruction and Development (EBRD); EY; Evli Russia Oy; Finnish-Russian Chamber of Commerce; Finnvera Ltd; Finpro; Ford Motor; Galitzine Consulting; General Motors; Gestamp Russia; GFK; Gefco; GoingRussia; Hannes Snellman; HeidelbergCement; HSBC; Human Search; IKEA; Impex Consulting; Intercomp Global Services; JETRO; Johnson Controls; John Deere Forestry; Jones Lang LaSalle; JTI Marketing &amp; Sales; Kinnarps; Konecranes; KPMG; M-Brain; Manpower; Man Truck &amp; Bus AG; Most Services; Move One Relocations; NCC; Nissan Manufacturing Rus; Nokian Tyres; Nordea bank; Novartis Group; Novo Nordisk A/S; Pepeliaev Group; Philips; Philip Morris Sales &amp; Marketing; Port Hamburg Marketing; Promaco; PwC; Raiffeisen-Leasing; Raiffeisenbank AO; Ramboll LLC (Poyry LLC); ROCA; Rödl &amp; Partner; Regus; Russia Consulting; Russian Connection; SATO Rus; SAF NEVA; SANOFI Russia; Scania Rus LLC; Schneider Electric; SEB Russia; SGS Vostok Limited, ZAO; Siemens; Sokotel LLC; Spectrum Holding; SRV Russia Ltd.; STADA CIS; Stockman ZAO; St. Petersburg Electrotechnical Company; Stockholm School of Economics in Russia; Stockman ZAO; Stora Enso; Tebodin Eastern Europe B.V; Tekes – Finnish Funding Agency for Technology and Innovation; TMF-Group; Translogix; Valio; VegasLex; Volvo Group; Vostok Consulting Oy; VSK; W St. Petersburg hotel; WEG; Work Service; YE-International; YIT; Zurich.</p>

NUMBER OF COMMITTEE MEETINGS	<b>1</b>	
<b>AEB OPEN EVENTS ORGANISED</b> (participation in open sessions was exclusively on invitations)	Event Title	Event Date
	Sustainable principles of Green Building	19 February 2014
	Presentation of Investment potentials of the Pskov and Vologda regions: Meeting with local authorities	26 February 2014
	Briefing by Migration authorities representatives: changes in Migration Regulations and challenges	25 March 2014
	Annual General Meeting in St. Petersburg (elections and government briefing)	2 April 2014
	Government briefing: Presentation of Investment potentials of Leningrad region	2 April 2014
	World Bank briefing	10 April 2014
	Open event: "Presentation of AEB Annual Survey's results: Strategies and prospects for European companies in Russia"	19 June 2014
	Open event: "Market overview and legal update in CRE industry in the NW region" (Construction & RE SC)	24 September 2014
	Open event: "Future of Pulkovo Airport and perspectives for businesses" (site visit, Round Table and networking reception)	23 October 2014
	Recent amendments to Corporate law: practical aspects	26 November, 2014
	Briefing by Yuri Lyamkin, First Deputy Head of the North-Western Customs Department on Customs Control, Customs Service Major General	19 December 2014

## COMMITTEE ACTIVITIES, 2014

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

The more than 200 AEB members representing about 135 companies in the North-Western region demonstrated active behaviour in 2014 by regularly participating in the work of the Committee and the six Subcommittees.

2014 was marked by several notional open events and business meetings held by the Committee and its Subcommittees. Those of importance were those with government authorities from the Vologda and Pskov regions, the Leningrad region (governors, vice governors, city and regional Investment Committees and Councils, North-Western Customs authorities, Federal Labour Inspection, Federal Migration Service, World bank, etc.). In 2014, in addition to the already working Sub-

committees (HR & Migration; Manufacturing & Trade; Legal & Taxation; Customs, Transport & Logistics; Construction & Real Estate) one more Subcommittee — Marketing, PR & Communications was established.

In 2014, the chairperson of the Committee and the Chairs of the six subcommittees were elected.

The Committee raised and entered discussions with responsible authorities on issues such as:

- improvement of the investment climate in the region;
- application of TIR and customs procedure of customs transit transfer;
- parallel imports;
- administrative liability for customs offences;
- problems of hiring and firing staff;
- migration legislation updates;
- attestation of workplaces;
- problems with the employment of foreign workers;
- problems in the construction industry of the North-Western region of Russia;
- changes to the corporate law.

In 2014, the AEB North-Western Regional Committee continued to participate actively in regular meetings of the Investment Councils of St. Petersburg and the Leningrad Region.

General Consulates in St. Petersburg and the EU Delegation to the Russian Federation consider the AEB North-Western Regional Committee as an advisor and reliable partner for European companies operating in the North-Western Region. In 2014, the AEB continued to foster cooperation with EU consulates in St. Petersburg through regular meetings with representatives of the EU delegation, organisation of events in cooperation with the consulates, presentations of the AEB federal and regional activities during business breakfasts at the consulates, and meetings with national representative companies and potential members.

## PUBLIC RELATIONS & COMMUNICATIONS COMMITTEE

<b>AIM</b>	To establish a platform for communications and PR experts from European and Russian businesses and experienced consultancy representatives to discuss and exchange information and advice on the best PR & Communications practices in Russia.
<b>CHAIRPERSON</b>	<b>Igor Reichlin</b> , Managing Partner, Reichlin & Partners LLC
<b>DEPUTY CHAIRPERSON</b>	<b>Marina Tatarskaya</b> , Public Relations Director, Ferrero Russia CJSC
<b>AEB MEMBER COMPANIES</b>	ABB; A-FILM; Alfa Laval; Allianz IC OJSC; Alrud Law Firm; Antal Russia; Ararat Park Hyatt Moscow; Arval; Atlas Copco, CJSC; Avon Beauty Products Company, LLC; Axel Springer Russia ZAO; BASF; Bayer ZAO; BEITEN BURKHARDT Moscow; BDO; BENE RUS LLC; BNP Paribas; Boehringer Ingelheim; Bosch; BP; British American Tobacco Russia; BSH Bytowaja technika Ltd; Bureau Cecile Rogue; Caterpillar Eurasia LLC; Chadbourne & Parke LLP; Coleman Services UK; Creditreform RUS; Corporate Health LLC; CRH; Cushman & Wakefield; Daikin Europe N.V. Representative Office; Danone Russia; Delphi Samara JV JSC; Deloitte; Debevoise and Plimpton LLP; Deutsche Bank Ltd; DHL Express; DuPont Science & Technologies; EGO Translating Company; ElaN Languages Moscow; English International School; EY; FE Communications; FENICE RUS LLC; Ferrero Russia; FleishmanHillard Vanguard LLC; Gasunie; Gide Loyrette Nouel; GOLTSBLAT BLP; Grayling; Griffin Partners; Haldor Topsoe ZAO; Hilton Moscow Leningradskaya Hotel; Hotel Baltschug Kempinski Moscow/Baltschug Ltd.; IKEA Shopping Centres Russia; InterContinental Moscow Tverskaya Hotel; International Road Transport Union; Intercomp; INTOUCH INSURANCE; John Deere Rus, LLC; Kesarev Consulting; KPMG; LEROY MERLIN Russia; Lindab Buildings LLC; Mamaison All-Suites Spa Hotel Pokrovka; Mannheimer Swartling Ryssland Advokataktiebolag; Manpower Group; Marriott Moscow Hotels; Mazars; MetLife Alico; Metro Group; Muranov, Chernyakov & Partners Law Firm; Narrative Insights; Nestle Rossiya; Noerr OOO; Norton Rose Fulbright (Central Europe) LLP; Novo Nordisk A/S; Pepeliaev Group LLC; Philip Morris sales & Marketing; Promaco Public Relations Ltd Oy; PwC; Radisson Royal Hotel; Raiffeisenbank ZAO; Reichlin & Partners LLC; Renaissance Moscow Monarch Centre Hotel; ORANTA Insurance Company LLC; RichartsMeyer; Roedle & Partner; RUSMICE INTERNATIONAL LTD; Saint-Gobain CIS; Sheraton Moscow Sheremetyevo Airport Hotel; Siemens LLC; SOCIETE GENERALE Strakhovanie Zhizni LLC; Sokur & Partners; Stada CIS; Swissotel; Tebodin Eastern Europe B.V.; Telenor Russia AS; Syngenta OOO; TELE2 Russia International Cellular B.V.; Thomson Reuters; TMF Group; Total E&P Russie; VEGAS LEX Advocate Bureau; VOLKSWAGEN Group Rus OOO; Zurich Insurance Company Ltd; United Technologies International Operations Inc; Whirlpool CIS.
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>8</b> (including thematic Committee meetings devoted to the topics: compensations in PR & Communications, tender policies, industry-specific PR & Communications, building a corporate PR/Marketing department, corporate charity, external communications, innovation in PR & Communications)

	Event Title	Event Date
<b>AEB OPEN EVENTS ORGANISED</b> (participation in open sessions was exclusively on invitations)	AEB Open Event "Intellectual Property and Social Media" (jointly organised with the AEB Intellectual Property Committee)	25 April 2014
	AEB Open Event "Internal Communications: Best Practices"	27 June 2014
	AEB Business meeting "Stress-Test of Corporate Reputation: a Business Game"	21 October 2014
	AEB Open Event "Meet the Media" with Yulia Yarosh, Deputy Editor-in-Chief of the business newspaper "RBC"	3 December 2014

## COMMITTEE ACTIVITIES, 2014

### 25 April 2014

AEB Open Event "Intellectual Property and Social Media" (jointly organised with the AEB Intellectual Property Committee). The event provided a platform for a discussion on the qualification of Intellectual Property infringements in social media; ways of responding to IP infringement claims in social media; corporate social media in the internal communications and PR; and Russian and European practices of intellectual property and social media.

### 27 June 2014

AEB Open Event "Internal Communications: Best Practices" gave an opportunity to discuss how and why communications professionals should be leading their organisations' efforts at building common corporate culture; how mobile working affects intra-company communications, special projects helping companies to create effective internal communications platforms; engagement as a priority task for internal communications.

### 21 October 2014

AEB Business Meeting "Stress-Test of Corporate Reputation: a Business Game" was an interactive workshop structured as a role-playing business game. Its participants formed a number of groups, each with a distinct role that is relevant in a crisis situation. The workshop provided a vivid overview of communications challenges arising within a company in a crisis situation and offered the ways to organise a corporate response that would minimise reputation damage from such a crisis. This exercise gave corporate PR practitioners an opportunity to freshen up their crisis communications toolkits and share their experience and insights with peers within the professional community.

### 3 December 2014

AEB Open Event "Meet the Media" with Yulia Yarosh, Deputy Editor-in-Chief of the business newspaper "RBC". In the first part of the event Yulia Yarosh delivered a presentation devoted to the latest changes in the structure of the RBC publishing house and the company's new communication approaches applied in the new realities. The second part of the event was held in the form of a questions & answers session.

## PRODUCT CONFORMITY ASSESSMENT COMMITTEE

<b>AIMS</b>	<ul style="list-style-type: none"> <li>• to identify and act on the major problems identified in the field of technical regulation, product conformity and standardisation;</li> <li>• to act as a specific link with the European Commission representatives in charge of the EU-Russia Regulatory Dialogue.</li> </ul>
<b>CHAIRPERSON</b>	<b>Anatoly Polak</b> , Standards & Regulations Manager, Caterpillar Eurasia LLC
<b>DEPUTY CHAIRPERSON</b>	<b>Elena Kirillova</b> , Head of Technical Translation and Certification Department, Legrand Group
<b>AEB MEMBER COMPANIES</b>	ABB; Astron - Lindab Buildings LLC; BASF; Bayer ZAO; Bonduelle-Kuban; Branan; BSH Bytowaja technika Ltd; Caterpillar Eurasia LLC; Coca-Cola Hellenic Bottling Co. Eurasia; Continental Tires RUS OOO; Daikin Europe N.V. Representative Office; Danone Russia; DLA Piper; Doosan Infracore Co. Representative Office in Russia; DuPont Science and Technologies; Electrolux; Ferrero Russia CJSC; Hitachi Construction Machinery Eurasia Sales Limited Liability Company; IKEA Shopping Centres Russia; Imperial Tobacco Sales and Marketing; John Deere Rus LLC; Komatsu CIS; Legrand Group; Michelin; Nestle Rossiya LLC; Noerr OOO; Nokia Solutions and Networks; OBI Russia; Philip Morris Sales and Marketing; Philips LLC; Procter & Gamble; Renault Trucks Vostok; Rockwool; RUSSIA CONSULTING; SCA HYGIENE PRODUCTS RUSSIA LLC; Scania-Rus LLC; Schneider Electric; SECRETAN TROYANOV SCHAEER S.A.; SGS Vostok Limited; Turner & Townsend OOO; VEGAS LEX Advocate Bureau; Volvo Cars LLC; ZAO "Groupe SEB-Vostok".
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>5</b>

### COMMITTEE ACTIVITIES, 2014

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 regulations, the standardisation and conformity assessment of the Russian Union of Industrialists and Entrepreneurs (RSPP) and with the EU Delegation to Russia and the Directorate General for Enterprise and Industry of the European Commission.

In 2014, the Committee continued to focus on the issues of standardisation, accreditation, conformity assessment, market surveillance, as well as the harmonisation of industrial technical regulations of the Customs Union, representing the maximum interests of business, with the corresponding European documents.

On 13 February 2014, the Committee members participated in the Russia-Customs Union-European Union International Conference "Technical regulation, standardisation, conformity assessment: achievements, challenges and prospects". Anatoly Polak, Chairman of the Committee made a presentation at this conference — Caterpillar Interaction Experience with Russian Technical Regulations February 2014.

On 6 June 2014, the Committee members participated in the seminar organised by Minpromtorg, RSPP and the Eurasian Economic Commission on the implementation of new Technical Regulations. They discussed with the leader of EuropeAid Project 132827, Han Zuyderwijk and Francisco Verdera (CENELEC), mutual efforts for the harmonisation of EU and Customs Union Technical Regulations.

On 16 June 2014, Anatoly Polak made a presentation at the AEB Flagship Conference on existing Customs Union Technical Regulations and its problems.

On 20 June 2014, the Committee members held a meeting with Artyom Yulegin, Head of Business Advocacy and Entrepreneurship Development Department at the Eurasian Economic Commission. It was agreed that the production audit, as described in the Technical Regulations of the Customs Union, is excessive in volume (trips), adding additional expenses with no value and being impossible to organise. We agreed to proceed in our efforts to try and realise the possible organisation of a product audit based on the documents submitted and in recognition of ISO 9000 certificates, excluding trips. The issue of submitting certificates at customs clearance was discussed also, and it was agreed that it was a bad deal and that companies have to make some steps to transfer that function from customs to market surveillance.

On 30 June 2014, the Committee met Katja Modric Skrabalo, Director General for Enterprise and Industry at the European Commission, to discuss the main obstacles in harmonising the technical regulations of the Customs Union and the European Union.

During 2014, Committee members participated in meetings of the Eurasian Economic Commission on the discussion of issues, such as the Eurasian Economic Union, TR CU "On the Safety equipment operating under excessive pressure" (TR CU 032/2013), the production audit procedure at the conformity assessment of the 1C scheme, and the regulatory impact assessment. Committee members together with the AEB Home Appliances Manufacturers Committee commented on the lists of products with high-energy efficiency prepared by the Russian Ministry of Industry and Trade.

The AEB Product Conformity Assessment Committee members will continue to collect major problems identified in the field of Technical Regulations and Standardisation, especially within the framework of the Customs Union.

## REAL ESTATE COMMITTEE

<p><b>AIMS</b></p>	<ul style="list-style-type: none"> <li>• to facilitate the exchange of information regarding real estate and development issues in Russia;</li> <li>• to influence existing procedures in order to increase the attractiveness of foreign investment;</li> <li>• to establish a “bridge” between the AEB, the Moscow Government, State Duma and other relevant governmental bodies.</li> </ul>	
<p><b>CHAIRPERSON</b></p>	<p><b>David Izett</b>, Acting Chairman, COO, Cushman &amp; Wakefield</p>	
<p><b>AEB MEMBER COMPANIES</b></p>	<p>AERECO S.A. (FRANCE) - Representative Office in the Russian Federation; ALPE consulting OOO; ALRUD Law Firm; Arup; Astron - Lindab Buildings LLC; Attorneys at law Borenius Russia Ltd.; Bank Credit Suisse (Moscow); Bayer ZAO; BEITEN BURKHARDT Moscow; Bilfinger LLC; BNP Paribas; Brandi Partners LLC; BUREAU VERITAS RUS CJSC; Caverion Elmek OOO; CMS Russia; Crocus International; Cushman &amp; Wakefield; Daikin Europe N.V. Representative Office; Debevoise and Plimpton LLP; Deloitte; Dentons (Salans, FMC, SNR Denton Europe); DLA Piper; DS Law.Attorneys; DuPont Science and Technologies; Evans Property Services; EY; FourSquares; Freight Village RU; Gerald Sakuler; Gide Loyrette Nouel; GOLTSBLAT BLP; Griffin Partners; Hannes Snellman; IKEA Shopping Centres Russia; Incor Alliance Law Office; Intermark Relocation; JLL; Kinnarps ZAO; KPMG; Lidings; LINDNER; Mazars; METRO AG; Noerr OOO; OBI Russia; Orange Business Services; P&amp;R Engineering; Pepeliaev Group LLC; Porsche Russland; PwC; Rautaruukki OYJ; Roedl &amp; Partner; Saint-Gobain CIS; Spectrum holding Ltd; Sponda Russia; Stupino 1 Industrial Park; Terrakultur; TMF Group; Troika Relocations Ltd.; VEGAS LEX Advocate Bureau; YIT Rakennus Representative Office.</p>	
<p><b>NUMBER OF COMMITTEE MEETINGS</b></p>	<p><b>7</b></p>	
<p><b>AEB OPEN EVENTS ORGANISED</b> (participation in open sessions was exclusively on invitations)</p>	<p><b>Event Title</b></p>	<p><b>Event Date</b></p>
	<p>Pulse of the real estate market in Moscow: 2013 review and projections 2014</p>	<p>14 February 2014</p>
	<p>Transport infrastructure of Moscow: which way?</p>	<p>25 April 2014</p>
	<p>Mega Moscow – Mega Projects</p>	<p>12 November 2014</p>

## **COMMITTEE ACTIVITIES, 2014**

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 property managers, and other service providers.

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

The Real Estate Committee consists currently of four working groups: Finance & Investments, Industry Sub-Sectors, Project Management & Ancillary Services and Office and Administration Managers. These working groups meet regularly to update on current developments in the Russian real estate sector and regularly organise open and other events that are focused on topical subject matter and intended to fulfil the core objectives of the Committee.

During 2014, the Committee members organised several major events:  
Pulse of the real estate market in Moscow: 2013 Review and Projections 2014.  
Transport infrastructure of Moscow: which way?  
Mega Moscow — Mega Projects.

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

## RETAIL TRADE COMMITTEE

<b>AIMS</b>	<ul style="list-style-type: none"> <li>• to provide support to AEB member-companies operating in Russian trade;</li> <li>• to serve as a dialogue platform for member-companies and other stakeholders on appropriate topics;</li> <li>• to develop common industry stand on selected issues;</li> <li>• to lobby industry interests towards various stakeholders;</li> <li>• to keep member-companies informed about relevant issues.</li> </ul>
<b>CHAIRPERSON</b>	<b>Alexey Grigoriev</b> , Vice President, METRO AG
<b>DEPUTY CHAIRPERSON</b>	<b>Oleg Alkhamov</b> , Chief Financial Officer, Auchan
<b>AEB MEMBER COMPANIES</b>	ATAK; Auchan; H&M Hennes & Mauritz LLC; IKEA Shopping Centres Russia; LEROY MERLIN Russia; M.Video; METRO AG; O'KEY group; OBI Russia; Stockmann ZAO.
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>12</b>

### COMMITTEE ACTIVITIES, 2014

The AEB Retail Trade Committee was established in 2010 and comprises almost all of the biggest international market players. The Committee deals with sensitive industry issues affecting activities of (foreign) retailers operating on the Russian market. In 2014, the Committee prioritised and addressed a variety of issues like Sales tax, Trade levy, Alcohol trade, Inventory losses, VAT on bonuses, Electronic data interchange (EDI), Cadastral value, Trade law, Limitations on real estate transactions, Image of trade and others.

During 2014, the Committee members had several meetings with such governmental officials and experts as:

- Igor Shuvalov, First Deputy Prime Minister, on the issue of food sanctions;
- Arkadiy Dvorkovich, Deputy Prime Minister, on the issue of work under sanctions;
- Alexander Petrikov, Deputy Minister of Agriculture, on the issue of phytosanitary and veterinary legislation;
- Natalia Filippova, Deputy Head of the Federal Service for State Registration, Cadastre and Cartography, on the issue of cadastral value calculation;
- Alexey Kruzhalin, Deputy Head of the Federal Service for Alcohol Market Regulation, on the issue of EGAIS system introduction;
- Nikolay Vlasov, Deputy Head of the Federal Service for Veterinary and Phytosanitary Surveillance, on the issue of phytosanitary and veterinary legislation;
- Denis Pak, Department Director, the Ministry of Industry and Trade, on the issue of trade law;
- Natalia Sergunina, Deputy Mayor of Moscow, on the issue of trade levies;
- AEB member-companies' experts.

The Committee practiced active interaction with other AEB Committees on issues such as Real Estate, Taxation related to real estate transactions for foreigners, and tax initiatives.

Committee members as well as other interested AEB members engaged in a survey on the possible impact of introducing sales tax, conducted by the Higher School of Economics.

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

## SAFETY, HEALTH, ENVIRONMENT AND SECURITY COMMITTEE

<p><b>AIMS</b></p>	<ul style="list-style-type: none"> <li>• to promote international Safety, Health, Environment and Security (SHES) standards and best practices among the companies operating in Russia and enhance relevant information exchange between European and Russian business through a common platform;</li> <li>• to advocate Committee's position on the current state and proposed changes in the Russian SHES legislation through channels established by the AEB and in cooperation with other business associations;</li> <li>• to provide AEB members with regular updates on the key issues concerning the SHES sphere development and prospects.</li> </ul>	
<p><b>CHAIRPERSON</b></p>	<p><b>Valery Kucherov</b>, Partner, ERM Eurasia, Moscow Branch</p>	
<p><b>DEPUTY CHAIRPERSON</b></p>	<p><b>Mikhail Divovich</b>, General Director, ECOTEAM</p>	
<p><b>AEB MEMBER COMPANIES</b></p>	<p>ABB; ALRUD Law Firm; Avon Beauty Products Company, LLC; Awara; BASF; BEITEN BURKHARDT Moscow; BP; 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 &amp; Partners (EPAM); Elite Security GmbH; Enel Russia OJSC; ERM (Environmental Resources Management); FENICE RUS LLC; Fircroft; GRATA Law Firm; Guard-R; HeidelbergCement RUS; IKEA Shopping Centres Russia; International Road Transport Union, Permanent Delegation to Eurasia; International SOS; John Deere Rus, LLC; Komatsu CIS; Linklaters CIS; 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.; 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; TPA/AXIS; VISA; W St. Petersburg hotel.</p>	
<p><b>NUMBER OF COMMITTEE MEETINGS</b></p>	<p><b>9</b></p>	
<p><b>AEB OPEN EVENTS ORGANISED</b> (participation in open sessions was exclusively on invitations)</p>	<p><b>Event Title</b></p>	<p><b>Event Date</b></p>
	<p>Round Table "Best practices in Health &amp; Safety sphere in Russia"</p>	<p>22 May 2014</p>
	<p>Round Table "Health &amp; safety practices in Russia: tips from professionals"</p>	<p>2 July 2014</p>
	<p>Open event "Cybercrime: made in Russia"</p>	<p>16 September 2014</p>
	<p>Round Table on Integrated Security Systems</p>	<p>18 November 2014</p>
	<p>Open event "Health and Safety in the Energy Sector"</p>	<p>19 November 2014</p>
	<p>Meeting with Mikhail Begak, Deputy Chairman of the Technical Committee-113 "Best Available Techniques" established by Rosstandart</p>	<p>16 December 2014</p>

## COMMITTEE ACTIVITIES, 2014

The Committee is composed of a number of companies specialising in various areas such as environmental protection, health & safety, security & risk management and compliance. The Committee is divided into three Subcommittees – the Security & Compliance Subcommittee, the Environmental Subcommittee and the Health & Safety Subcommittee.

In 2014, all Subcommittees were proactive and organised a number of events.

On 22 May 2014, the Health & Safety Subcommittee held a round table “Best practices in Health & Safety sphere in Russia”. This event was followed by the next round table “Health & safety practices in Russia: tips from professionals”, held on 2 July 2014. The last open event of the Health & Safety Subcommittee “Health and Safety in the Energy Sector” took place on 19 November 2014. The open events of the Health & Safety Subcommittee conducted in 2014 gathered a total of 92 attendees and were very welcomed by the industries involved.

On 16 September 2014, the Security & Compliance Subcommittee organised an open event “Cybercrime: made in Russia” (this was the first event dedicated to this topic held by the AEB, and it attracted a lot of attention from the IT and Security industries). On 18 November 2014, the Subcommittee held an open meeting on Integrated Security Services in preparation for the TB Forum that was planned for February 2015.

The Environmental Subcommittee started proactively working in the lobbying field. Its representatives participated in the Working Group on Best Available Technologies of the Russian Union of Industrialists and Entrepreneurs’ Committee on Environment Management. In March 2014, Valery Kucherov, Chairman of the AEB Safety, Health, Environment & Security Committee, represented the Committee and delivered a presentation at the round table “Ecology and Cleantech” within the framework of the 5th Northern Dimension Forum in St. Petersburg. The Subcommittee initiated preparation of a lobbying letter on landfills to the relevant regulatory authorities. In addition, the Subcommittee organised a meeting with Mikhail Begak, Deputy Chairman of the Technical Committee-113 “Best Available Techniques” (BAT) established by Rosstandart, to facilitate AEB members to provide input for the development of appropriate reference guide books on BATs (BREF – BAT Reference Document - in the EU), which will be required under Federal Law No.219-FL “On Revision of the Federal Environment Protection Law and Individual Regulations of the Russian Federation” from 21 July 2014.

Overall, in 2014, the Committee made significant progress towards achieving its goals and objectives, which were redeveloped in order to meet the needs of its members.

## SMALL AND MEDIUM-SIZED ENTERPRISES COMMITTEE (SME)

<b>AIMS</b>	<ul style="list-style-type: none"> <li>• definition of the specific needs of small and medium-sized European businesses operating in the Russian market;</li> <li>• growth of the SME sector through addressing administrative barriers for SMEs and to provide a platform for information exchange;</li> <li>• promotion of fair business rules by leveraging ethical and efficient inter-company partnership between SMEs and other AEB companies;</li> <li>• improvement of conditions for SMEs' activities in Russia as a driving force for modernisation;</li> <li>• institutionalisation of the AEB intercommittee communication in order to bring up appropriate issues at the SME Committee discussions and provide problem solving recommendations.</li> </ul>	
<b>CHAIRPERSON</b>	<b>Orlin Efremov</b> , Managing Director, Performance Partners LLC	
<b>DEPUTY CHAIRPERSON</b>	<b>Alex Medlock</b> , Regional Director CIS, TMF Group	
<b>AEB MEMBER COMPANIES</b>	3 Step IT; A-FILM; Alinga Consulting; ALPE Consulting; Antal; Bene Office Furniture; Businessland Services; BDO; Bank Center-invest; Citibank ZAO; CMS Russia; Dentons; EGO Translating; ElaN Languages; EXECT Business Training; FE Communications; GRATA Law Firm; International Law and Tax Services Association (ILTS); INVESTMENT COMPANY IC RUSS-INVEST; Lidings Law Firm; Narrative Insights; Novotel Moscow Center; Oriflame; Performance Partners LLC; Publicity Consulting Group; PwC; RH Partners; RUSSIA CONSULTING; Russian Connection; SECRETAN TROYANOV SCHAER S.A.; Slick Software Solutions BVBA; Stupino 1 Industrial Park; TABLOGIX; TMF Russia; Troika Relocations; VSK.	
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>7</b>	
<b>AEB OPEN EVENTS ORGANISED</b> (participation in open sessions was exclusively on invitations)	<b>Event Title</b>	<b>Event Date</b>
	AEB webinar jointly organised by the AEB SME Committee and the AEB Finance & Investments Committee, titled "Growing from small to medium-sized company: business and administrative aspects".	22 April 2014

### COMMITTEE ACTIVITIES, 2014

#### 22 April 2014

The AEB webinar jointly organised by the AEB SME Committee and the AEB Finance & Investments Committee, titled "Growing from small to medium-sized company: business and administrative aspects." The event was organised in partnership with the European Bank for Reconstruction and Development (EBRD) in the EBRD Office in Moscow and was broadcasted online to EBRD offices in St. Petersburg, Rostov, Samara, Yekaterinburg and Vladivostok also. The webinar covered the following issues: SMEs in Russia from a macroeconomic perspective, cooperation with multinationals, access to information, and consulting for SMEs.

#### 17 November 2014

A presentation by the SME Committee Chairman "How to create a stakeholder-oriented MBA programme" at the 1st International conference "Education for Business in the Era of Evolutionary Changes" organised by the Skolkovo Business School.

## SOUTHERN REGIONAL COMMITTEE

<b>AIMS</b>	<ul style="list-style-type: none"> <li>• promoting and strengthening the AEB business reputation in the region;</li> <li>• interaction with authorities;</li> <li>• interaction with key non-governmental partners;</li> <li>• creating an effective platform for business communication.</li> </ul>	
<b>CHAIRPERSON</b>	<b>Oleg Zharko</b> , Advisor to the Chairman of the Board, Bank Center-invest	
<b>DEPUTY CHAIRPERSONS</b>	<b>Ralf Bendisch</b> , General Director, CLAAS <b>Igor Brener</b> , Client HR Manager, Cargill in Russia <b>Lubov Popova</b> , Member of the Directors Board and General Director, Gubsky Kirpichniy zavod	
<b>AEB MEMBER COMPANIES</b>	Advocates Bureau Yug; AERECO S.A.; Allianz IC OJSC; ANCOR; BASF; Bayer ZAO; BONDUELLE Kouban; Cargill Yug LLC; Center-invest Bank; Citibank; CLAAS OOO; DuPont Science and Technologies; European Bank for Reconstruction and Development; EY; Gubskiy Kirpichniy zavod; IKEA OOO MOS (Retail and Property) MEGA Adygea-Kuban shopping mall; Knauf South sales direction – regional office of Knauf Gips Ltd. (Krasnodar); KPMG; KrasnodarEXPO (Part of The ITE Group); KWS RUS LLC; Legrand; Lindab Buildings LLC; Mazars; Metlife; Nestle Kuban LLC; OTP Bank; Philip Morris Kuban OAO; Philips LLC; PwC; Raiffeisenbank South Affiliate of ZAO South regional center; ROSBANK Joint Stock Commercial Bank; SGS Vostok Limited ZAO; Siemens Representative office in SFD&N-CFD; Syngenta OOO; Tebodin Eastern Europe B.V.; UniCredit Bank Branch of Closed Joint Stock Company in Krasnodar; VEGAS LEX; VSK IC OJSC; YIT.	
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>3</b>	
<b>AEB OPEN EVENTS ORGANISED</b> (participation in open sessions was exclusively on invitations)	<b>Event Title</b>	<b>Event Date</b>
	Meeting of the AEB management with Mayor of Krasnodar	16 January 2014
	AEB SRC Reception	20 March 2014
	SRC AGM	31 March 2014
	AEB Career day at the Kuban State Agrarian University	9 April 2014
	AEB Career day at the Kuban State Technological University	11 April 2014
	AEB Career day at the Kuban State University	23 April 2014
	Conference Trends in the field of HR management	22 May 2014
	AEB SRC Summer Reception	6 June 2014
	Press-conference on the Program Social Investments of Business	28 August 2014

	Meeting of AEB members representatives with the Delegation from Karlsruhe 28 August 2014	29 September 2014
	Conference Social Investment of Business as a Factor of Sustainable Development of Business and Region	3 December 2014

### **COMMITTEE ACTIVITIES, 2014**

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

Currently, the Committee unites 40 companies: leading foreign investors and international banks that have affiliates operating in the Krasnodar, Rostov and Stavropol regions, as well as Adygei Republic.

In 2014, the Committee ensured that member companies were able to inter act effectively and productively with regional and local authorities. The Committee's activities in 2014 were aimed at setting an example with regard to international standards of business, effective networking, information sharing and best practice promotion.

The Southern Regional Committee continued carrying out traditional business events, such as HR conferences, AEB Career days and laid the foundation for new joint projects with the Public Chamber of the Krasnodar region and other key partners.

Members of the Southern Regional Committee were part of the Krasnodar administration delegation that visited the twin-city of Karlsruhe (Germany).

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

## TAXATION COMMITTEE

<p><b>AIMS</b></p>	<ul style="list-style-type: none"> <li>• to monitor tax legislation developments, subordinate acts and court practices;</li> <li>• to inform AEB members on important changes to the tax legislation and tax reforms;</li> <li>• to cooperate with the relevant authorities on tax issues, in particular, with the RF Ministry of Finance, the State Duma and other authorities;</li> <li>• to present the AEB's position on tax matters before the Russian Government, the State Duma and the Supreme Arbitrage Court;</li> <li>• to organise regular meetings, open events and conferences for AEB members.</li> </ul>	
<p><b>CHAIRPERSON</b></p>	<p><b>Alina Lavrentieva</b>, Partner, PwC</p>	
<p><b>DEPUTY CHAIRPERSON</b></p>	<p><b>Vadim Zaripov</b>, Head of Analytical Department, Pepeliaev Group</p>	
<p><b>AEB MEMBER COMPANIES</b></p>	<p>Agrana Fruit Moscow Region; Akzo Nobel N.V.; Alderley NefteGaz; Alinga Consulting Group; Alex Terp LLC; ALRUD; AstraZeneca Pharmaceuticals Ltd.; Auchan; Baker Botts L.L.P.; Baker &amp; McKenzie CIS Ltd.; Bauke van der Meer Tax and Legal Services (CIS); BBH Legal LLC; BEITEN BURKHARDT; Bellerage; Boehringer Ingelheim; BOIRON; BMW Group Russia; British American Tobacco Russia; Clifford Chance; CMS Russia; Continental Tires RUS; Debevoise and Plimpton; ZAO Deloitte; Dentons; Dewey &amp; LeBoeuf; DLA Piper; DS Law; DuPont Science &amp; Technologies LLC; EY.; Egorov, Puginsky, Afanasiev &amp; Partners; Ferrero; Gide Loyrette Nouel; GOLTSBLAT BLP; Grant Thornton ZAO; Gruppo SISI; HSBC; ICAR Transportation Company; IKEA; Intercomp; Intertrust; KempHoogstad CIS B.V.; KPMG; L'Oreal; Levant &amp; Partners Law Firm; Mazars; Mercedes-Benz Financial Services Rus OOO; Messe Frankfurt Rus Ltd.; Metro Group; M-Video; NORD OUTSOURCING LLC; Noerr; OBI Russia; Pavia e Ansaldo; Pepeliaev Group LLC; PricewaterhouseCoopers; Procter &amp; Gamble; Roedel &amp; Partner; Sanofi; Shell Exploration and Productions Service (RF) B.V.; Smithbridge Advisory Services Ltd.; Taxcom; Zentis Russland.</p>	
<p><b>NUMBER OF COMMITTEE MEETINGS</b></p>	<p><b>8</b></p>	
<p><b>AEB OPEN EVENTS ORGANISED</b> (participation in open sessions was exclusively on invitations)</p>	<p><b>Event Title</b></p>	<p><b>Event Date</b></p>
	<p>Round Table "De-offshorisation prospects: consequences for international companies in Russia"</p>	<p>23 April 2014</p>
	<p>Open event "Tax policy trends in 2014 and perspectives for 2015—2017"</p>	<p>25 June 2014</p>
	<p>Round Table "De-offshorisation – taxation aspects"</p>	<p>29 October 2014</p>
	<p>Open event "Is Russian taxation reform at an end?"</p>	<p>17 December 2014</p>

### COMMITTEE ACTIVITIES, 2014

The AEB Taxation Committee deals with the latest issues in the taxation sphere being introduced by the Russian Government, and proactively develops solutions in close cooperation with the Ministry of Finance and the Federal Tax Service.

## TIRE PRODUCERS COMMITTEE

<b>AIM</b>	To deal with all issues relevant to the industry and represent the interests of its members in relation to Russian and European authorities.
<b>CHAIRPERSON</b>	<b>Benjamin Willot</b> , CEO, Goodyear Russia
<b>AEB MEMBER COMPANIES</b>	Continental Tires RUS LLC; Goodyear Russia; Michelin; Nokian Tyres Ltd; Pirelli Tyre Russia; YOKOHAMA RUSSIA LLC.
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>1</b>

### COMMITTEE ACTIVITIES, 2014

On 13 November 2013, the Tyre Producers Working Group was transformed to a separate Tyre Producers Committee. Benjamin Willot, CEO of Goodyear Russia, was elected Chairman of the Tyre Producers Committee.

Since 2011, the Tyre Producers Committee under the Association of European Businesses has been actively helping to develop a draft on technical regulation for both Russia and the Customs Union – “On the Safety of Wheeled Vehicles.” The Committee wrote and submitted recommendations for the draft regulation as part of a public discussion. In 2014, the Committee continued working with this question.

In 2014, the discussion of legal acts related to ecological matters continued. The most significant remains the Draft Law “On Amendments to the Federal Law ‘On Industrial and Consumer Wastes’ and Other Legislative Acts of the Russian Federation with regard to Economic Incentives for Waste Management”. The Committee is actively involved in these discussions.

## WORKING GROUP ON MODERNISATION & INNOVATIONS

<p><b>AIMS</b></p>	<ul style="list-style-type: none"> <li>• assist companies involved in research and development in Russia;</li> <li>• represent the interests of the R&amp;D community and executives in this sphere;</li> <li>• develop recommendations for regulations and the legal framework in order to improve conditions for the activities of foreign interests;</li> <li>• exchange information between companies on modernisation and innovative trends in Russia, various international practices and political methods and their application in Russian conditions;</li> <li>• share experience in the sphere of collaboration with Russian innovation and educational centres, intellectual property, commercialisation of innovation, and production of prototypes;</li> <li>• attract sources of innovation and human resources, including the identification of opportunities to raise capital through Russian and foreign channels of financing.</li> </ul>	
<p><b>CHAIRPERSON</b></p>	<p><b>Michael Akim</b>, Vice President, ABB Russia</p>	
<p><b>AEB MEMBER COMPANIES</b></p>	<p>ABB; American Institute of Business &amp; Economics; BearingPoint OOO; Deloitte; Detecon International GmbH; DuPont Science and Technologies; Enel OGK 5; Flanders Investment &amp; Trade (Embassy of Belgium); Finnish-Russian Chamber of Commerce; Fortum OYJ; Gasunie; Google; IKB Leasing ZAO; Johnson Matthey PLC; Mitsubishi Electric Europe B.V. (the Netherlands) Moscow Branch; MMC Rus LLC; Narrative Insights; Noerr OOO; Nordea Bank; Novo Nordisk A/S; Parallels; Philips LLC; Saint Gobain CIS; Siemens LLC; Solvay S.A.; Technopolis Moscow; Tekes — Finnish Funding Agency for Technology and Innovation; Vitus Bering Management Ltd.</p>	
<p><b>NUMBER OF COMMITTEE MEETINGS</b></p>	<p><b>3</b></p>	
<p><b>AEB OPEN EVENTS ORGANISED</b> (participation in open sessions was exclusively on invitations)</p>	<p><b>Event Title</b></p>	<p><b>Event Date</b></p>
	<p>Round Table "AEB-Skolkovo Partnership", together with the AEB Machine Building &amp; Engineering Committee</p>	<p>30 January 2014</p>
	<p>Briefing by Richard Burger, Research &amp; Innovation Counsel, Head of Science &amp; Technology Section, Delegation of the European Union to the Russian Federation</p>	<p>17 March 2014</p>
	<p>Round Table "Improvement of incentive mechanisms for the involvement of the European business into R&amp;D in Russia"</p>	<p>30 June 2014</p>

## COMMITTEE ACTIVITIES, 2014

On 30 January 2014, members of the AEB met representatives from Skolkovo for the third such meeting. The round table "AEB-Skolovo Partnership" organised by the AEB Machine Building & Engineering Committee and the AEB Working Group on Modernisation & Innovations facilitated the discussion of what it really means to be Skolkovo's foreign partner.

On 17 March 2014, the AEB held a briefing by Richard Burger, Research & Innovation Counsel and Head of Science & Technology Section for the Delegation of the European Union to the Russian Federation, which was organised by the AEB Working Group on Modernisation & Innovations.

The event titled "Horizon 2020 – Opportunities and Mechanisms" continued the discussion started by the EU Commissioner Máire Geoghegan-Quinn in November 2013, and provided detailed information on the EU financial instrument Horizon 2020. Special attention was given to the opportunities for companies operating in Russia to participate in Horizon 2020 and its projects.

On 25 March 2014, the AEB Working Group on Modernisation & Innovations took part in the Expert Council on innovations of the Russian Federation Open Government together with representatives of the Ministry of Economic Development, the Ministry of Industry and Trade, as well as experts from the business community. The meeting was aimed at discussing the current trends in the field of innovations.

On 26 March 2014, the AEB Working Group on Modernisation & Innovations took part in the fifth InfoSpace Forum for Innovative Technologies – the annual platform for business-society interaction, efficient project positioning and the initiation of partnership agreements.

The AEB supported the Conference "Application of innovative technologies in medicine: possibilities for small and medium-sized business – the Russia and EU experience", held on 8 April 2014, which was organised by the Moscow State Institute of International Relations (MGIMO University). The aim was to exchange experience and discuss legal, organisational and financial support for small and medium-sized enterprises in the field of healthcare that wish to apply innovative technologies to common clinical practice.

On 20 May 2014, the AEB took part in the International Workshop "Integrating Russian Innovation Actors into European Networks: Facilitating Cooperation between Russian and European Technology Platforms" organised by National Research University – Higher School of Economics and the Centre for Innovation of North Rhine-Westphalia (ZENIT, Germany) within the framework of the EU 7th RTD Framework Programme BILAT-RUS-Advanced project.

On 30 June 2014, the AEB Working Group on Modernisation & Innovations held its Round Table "Improvement of incentive mechanisms for the involvement of European business into R&D in Russia". The event offered a platform for representatives of business and the state (the Ministry of Education and Science) to provide information on the available state support programmes, give feedback on opportunities and restraints for businesses participating in these programs, as well as to share related experiences.

On 10 July 2014, the AEB held its Round Table as part of the International Conference "Automation and robotics in transport engineering" within the Forum INNOPROM 2014 in Yekaterinburg. The session was dedicated to the topic "Trends in the development of transport: ecologisation, electric cars, what's next?". The Round Table was moderated by Michael Akim, a Member of the AEB Board, Chairman of the Working Group on Modernisation & Innovations and Vice President of ABB Russia.

On 16 September 2014, the AEB hosted a meeting on "The development of environmentally friendly transport and infrastructure", organised by the AEB Working Group on Modernisation & Innovations.

On 29 September 2014, the AEB held a round table "The establishment and improvement of mechanisms for cooperation between Russian universities and international business" within the second national exhibition-forum "VUZPROMEXPO. National science — industrialisation basis".

#### **Open Innovations Forum, 14—15 October 2014**

1) The AEB conducted a special panel discussion "The strategy of sustainable development: priorities for investment" on 15 October 2014. This session allowed the top-managers of leading international companies from different sectors to analyse the best European experience and to discuss the most promising areas, technologies and resources for financing sustainable development.

2) The AEB supported the EU-Russia Year of science event "International Cooperation in Research and Innovation: Global Challenges, Global Opportunities", which took place on 14 October 2014. The session looked at international cooperation in science and innovation in response to such global societal challenges as climate change, resource scarcity, infectious diseases and threats to public health, food safety and food security, and in search of opportunities for future economic growth. It gathered speakers from different countries to discuss possibilities and programmes to engage the best brains and the most innovative ideas in addressing common challenges and pursuing shared agendas.

3) The AEB held a joint session together with the Moscow City Government "Creating competitive industries in the metropolis". The session was aimed at reviewing the advanced European experience and discussing the most promising areas for the establishment and development of competitive industries in the city. This session was held on 14 October 2014 as part of the Exhibition within the Forum "Open Innovations".

On 29 October 2014, the AEB held its round table "The integration of European business into the modernisation of the Urals" during the IX Annual Interregional Conference "Growth Points of the Ural Macroregion's Economy" in Yekaterinburg. The session was organised by the AEB Working Group on Modernisation & Innovations in cooperation with the Analytical centre and the magazine "Expert-Ural".

On 15 December 2014, Michael Akim, a Member of the AEB Board, Chairman of the Working Group on Modernisation & Innovations and Vice President of ABB Russia, took part in the meeting of the Higher Ecologic Expert Council which was organised by the State Duma Committee on natural resources, environment and ecology and held at the State Duma. The meeting was dedicated to the issues pertaining to the improvement of the legislation within FL-219 "On amendments to FL "On the protection of the environment", and in particular on Best Available Technologies.

## WORKING GROUP ON TOBACCO PRODUCTS

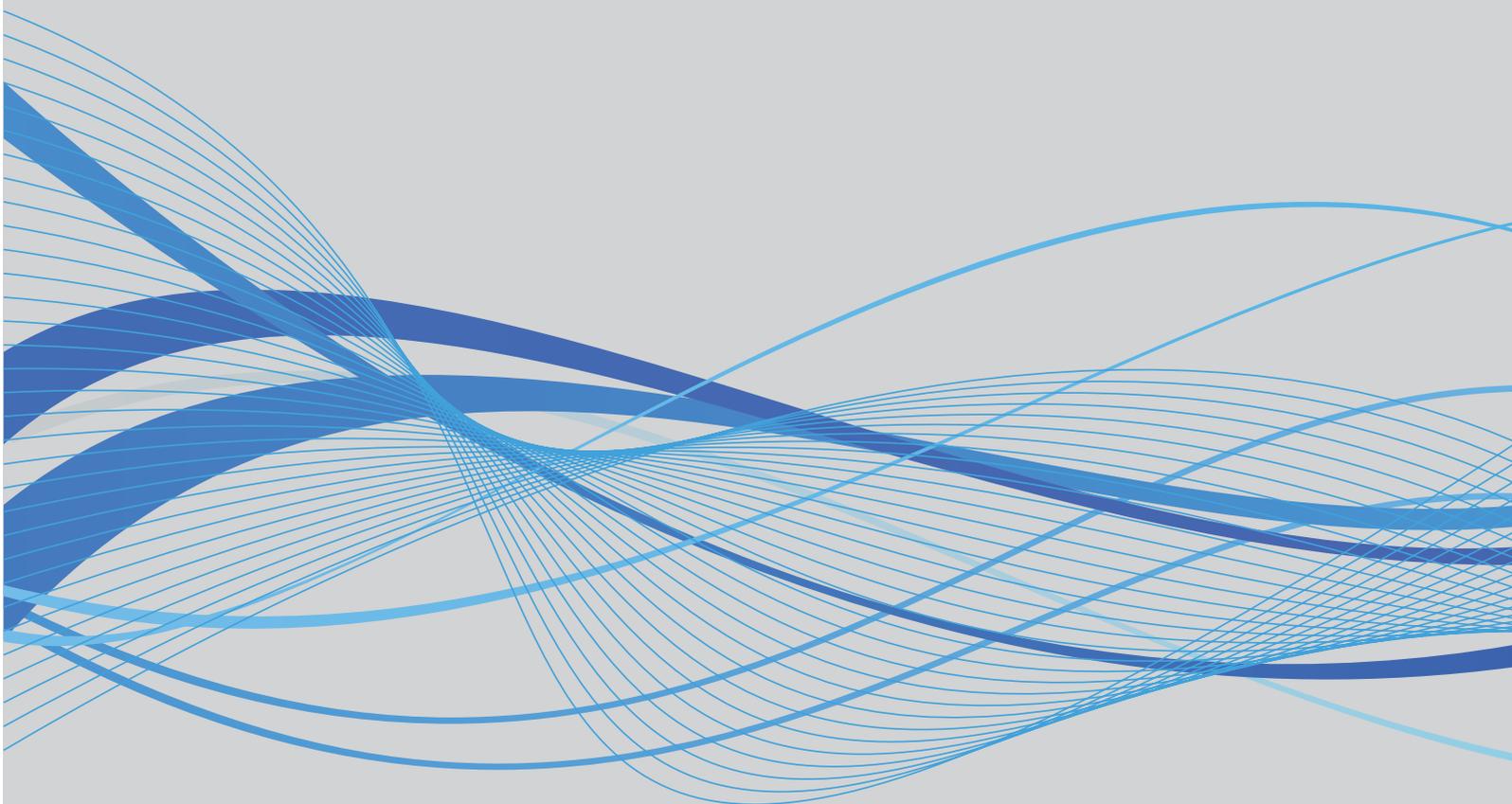
<b>AIM</b>	To promote the interests of AEB member-companies in tobacco production sector through governmental liaison and lobbying activities.	
<b>CHAIRPERSON</b>	<b>Alexey Kim</b> , Director of Corporate Affairs, Russia & Belarus, Philip Morris Sales & Marketing	
<b>AEB MEMBER COMPANIES</b>	Philip Morris Sales & Marketing; Japan Tobacco International; Imperial Tobacco Group; British-American Tobacco.	
<b>NUMBER OF COMMITTEE MEETINGS</b>	<b>7</b>	
<b>AEB OPEN EVENTS ORGANISED</b> (participation in open sessions was exclusively on invitations)	<b>Event Title</b>	<b>Event Date</b>
	Meeting with I. Shestakov, Head of Fishery Service on negotiations with Vietnam to enter Vietnamese market	13 November 2014

### COMMITTEE ACTIVITIES, 2014

The Working Group lobbied on combating the illicit trade of tobacco products in Russia, accessing the Vietnamese market, and the inconsistent growth of excise duties for tobacco products.

# Financial Statements & Membership Statistics

2014



# FINANCIAL STATEMENTS

## Consolidated Statement of Financial Position as of 31 December 2014\*

	December 31, 2014 (in EUR'000)	December 31, 2013 (in EUR'000)
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Intangible assets	24	45
Property, plant and equipment	59	120
Deferred tax assets	10	18
<b>Total non-current assets</b>	<b>93</b>	<b>183</b>
<b>Current Assets</b>		
Trade and other receivables including:	145	198
Trade receivables	48	88
Advances paid	94	108
Other debtors	3	2
Cash and cash equivalents	906	2,024
Investment in short term deposits	1,352	—
Other current assets	49	87
<b>Total current assets</b>	<b>2,452</b>	<b>2,309</b>
<b>Total assets</b>	<b>2,545</b>	<b>2,492</b>
<b>UNRESERVED FUND BALANCE AND LIABILITIES</b>		
<b>Unreserved Fund Balance</b>	<b>980</b>	<b>903</b>
<b>Current Liabilities</b>		
Prepaid membership fees	1,310	1,213
Payroll and taxes payable	79	160
Trade and other payables	176	216
<b>Total current liabilities</b>	<b>1,565</b>	<b>1,589</b>
<b>Total unreserved fund balance and liabilities</b>	<b>2,545</b>	<b>2,492</b>

## Consolidated Statement of Comprehensive Income for the year ended on 31 December 2014\*

	<b>2014</b> (in EUR'000)	<b>2013</b> (in EUR'000)
Membership fees	2,270	2,371
Events	269	355
Projects	363	534
Publications	100	138
Other revenues	60	72
<b>Total revenues</b>	<b>3,062</b>	<b>3,470</b>
<b>Expenditures, net</b>	<b>(2,947)</b>	<b>(3,193)</b>
<b>Excess of revenues over expenditures before tax</b>	<b>115</b>	<b>277</b>
Income tax expense	(96)	(86)
<b>Net excess of revenues over expenditures after tax</b>	<b>19</b>	<b>191</b>
Foreign currency translation difference	514	73
<b>Other comprehensive income for the year</b>	<b>514</b>	<b>73</b>
<b>Total comprehensive income/(loss) for the year</b>	<b>533</b>	<b>264</b>

\* As audited by the Independent Auditor Alinga Consulting Group.



# MEMBERSHIP STATISTICS

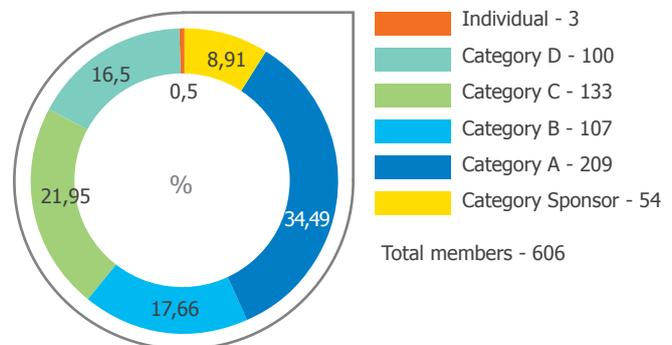
## AEB Members by Country

In 2014, the AEB had 606 members.

EU/EFTA Country	
Austria	16
Belgium	13
Cyprus	12
Czech Republic	4
Denmark	15
Finland	42
France	68
Germany	99
Greece	1
Hungary	7
Ireland	4
Italy	13
Liechtenstein	1
Lithuania	1
Luxembourg	2
Malta	1
Netherlands	35
Norway	4
Poland	3
Spain	8
Sweden	23
Switzerland	23
UK	73

Country NON-EU/EFTA	
China	1
Israel	1
Japan	12
Republic of Korea	5
Russia	81
Singapore	1
Turkey	2
United Arab Emirates	1
USA	34

## AEB Members by Category, 2014



# SPONSORS OF THE AEB EVENTS 2014

Advocates Bureau "Yug"  
Alinga Consulting  
Alstom  
Atos  
Attorneys at law Borenium Russia Ltd.  
Baker & McKenzie  
Bayer ZAO  
BearingPoint OOO  
Businessland  
Capital Legal Services  
Cargill LLC  
Castrol  
Cesar Satellite  
Coleman Services UK  
Continental Tires RUS OOO  
Dentons  
Dentsply  
E.ON  
Leorsa Development  
EY  
FORTUM OY  
GOLTSBLAT BLP  
Henkel Rus OOO  
Ikea  
ING bank  
INTOUCH INSURANCE  
KFP  
Krasnodarexpo  
KWS RUS LLC  
Lindab Buildings LLC  
Maersk  
Mannheimer Swartling Ryssland Advokattaktiebolag  
MetLife  
NCC  
New Riga Resort  
Novo Nordisk A/S  
Philip Morris Sales and Marketing  
Robert Bosch OOO  
ROCA  
RUSSIA CONSULTING  
Russian Standard Insurance  
Severstal  
Sitra  
Stupino I Industrial Park  
Tebodin Eastern Europe B.V  
Telenor Russia AS  
TMF Group  
VNG - Verbundnetz Gas AG  
Vodokanal St. Petersburg  
Volvo Cars LLC

