



# Gorshenin *Weekly*

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## 1. TOP STORIES

### **Ukraine, Canada sign free trade agreement**

The document will be implemented in the course of seven years.

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### **IMF may revise programme for Ukraine after Board's recess**

The IMF notes that the Ukrainian parliament has passed all the laws required for the disbursement of the next tranche.

*Read more in ECONOMY*

## 2. ARMED CONFLICT IN EASTERN UKRAINE

### **Security service detains Russian mercenaries**

The Security Service of Ukraine has detained two Russian mercenaries in an engagement near Troyitske, Donetsk Region. One of them died of wounds.

In addition, the National Police reported that another Russian citizen surrendered himself to Ukrainian border guards at the Maryinka checkpoint. Previously he worked as a body guard of the leader of the self-proclaimed Donetsk People's Republic, **Oleksandr Zakharchenko**, and took part in hostilities near the village of Shyrokyne.

### **UN warns against pardoning murderers during Minsk implementation**

The Minsk negotiation process should not result in amnesty for those who are guilty of premeditated murders or crimes against humanity committed during the armed conflict in Ukraine, the head of the UN Human Rights monitoring mission, **Fiona Frazer**, has said at the presentation of the report of the Office of the UN High Commissioner on Human Rights, entitled "Responsibility for the killings in Ukraine from January 2014 to May 2016".

### **Bellingcat publishes final MH17 report**

Investigative journalists from the Bellingcat group have released the final report on the investigation into the Malaysia Airlines aircraft crash in Ukraine's Donbas: "MH17 - The Open Source Investigation, Two Years Later".

In the document, Bellingcat accuses Russia of altering images and making false statements related to the MH17 case. In particular, according to the journalists, the satellite images presented by the Russian Defence Ministry on 21 July 2014 were "heavily manipulated".

It should be recalled that Malaysia Airlines' Boeing-777 crashed in Donetsk Region while performing a flight from Amsterdam to Kuala Lumpur on 17 July 2014. All 298 people who were onboard died in the crash.

## 3. CRIMEAN ISSUE

### UN says Crimea resident "executed"

In its report, the Office of the United Nations High Commissioner for Human Rights has said that the murder of Crimean resident **Reshat Ametov** was an execution without a proper trial.

It should be recalled that Ametov's body with numerous signs of torture was found in Crimea on 15 March 2014. The activist went missing on 3 March, after a group of men in military uniforms surrounded him and walked him away from Lenin Square in Simferopol, where he held a one-man protest against Russia's occupation of Crimea.

### Russia puts over 20 Crimeans on "terrorist list"

The Russian Federal Service for Financial Monitoring has expanded the "list of terrorists and extremists" to include 22 natives of annexed Crimea, in particular **Oleksandr Kolchenko, Oleh Sentsov, Oleksiy Chirniy, Hennadiy Afanasyev** (swapped by Ukraine for pro-Russian Odesa journalists **Hanna Andriyevska** and **Mykola Semena**), whom Ukraine considers to be political prisoners.

**Stanislav Krasnov**, head of the Azov-Crimea Civil Corps, whom the Security Service of Ukraine (SBU) suspects of connections with the Russian special services, was also put on the list.

The list also includes such organizations as the Crimean Tatar self-styled government Majlis, the Ukrainian right-wing organisations Brotherhood, Right Sector, Stepan Bandera's Trident, the Ukrainian National Assembly-Ukrainian People's Self-Defence (UNA-UNSO) and the Ukrainian Insurgent Army (UPA).

### Ayvazovskiy's paintings from Crimean gallery brought to Russia

Famous marine artist **Ivan Ayvazovskiy's** 38 paintings from the Feodosiya gallery in Russia-annexed Crimea have been brought to Moscow's Tretyakov Gallery for a year-long exhibition, Crimean culture minister **Arina Novoselskaya** has said.

The Ukrainian Culture Ministry said the paintings were moved illegally and called on the international community to suspend cooperation with Russian culture institutions which have received valuable pieces of art from Crimea.

### Number of visitors to Russia-annexed Crimea drops by 8 percent in January-June

According to the State Border Service of Ukraine, the number of visitors to Crimea arriving from mainland Ukraine dropped by 8 percent in January-June 2016 compared with the same period of 2015. The number of vehicles has decreased by 32 percent over the same period.

**4. INTERNATIONAL POLITICAL****UKRAINE-EU****One Ukrainian killed, two wounded in Nice terrorist attack**

As a result of the terrorist attack in Nice on 14 July 2016, one Ukrainian national was killed and two more wounded, the Ukrainian Foreign Ministry has said. There is no risk to the lives of the wounded Ukrainians.

"Europe and the whole world must leave aside the current momentary dividing issues and get to real work for the sake of future generations," Gorshenin Institute President **Vadym Omelchenko** said in an exclusive interview with the news and analysis website LB.ua.

According to the expert, the Western world can find an "antidote" against modern terrorism by countering it with its "civilisational experience".

Omelchenko also said that Europeans should not rely only on special services, whose capacity in all countries is limited, but build a system of public and collective security using Israel's example.

**European Parliament to hear report on visa-free travel for Ukrainians on 5 September**

A report expressing support for the European Commission's initiative to grant Ukrainians visa-free travel will be presented at the European Parliament on 5 September 2016, the European Parliament's rapporteur on visa liberalisation for Ukraine, **Mariya Gabriel**, has said.

In her words, the issue was postponed from the summer to September because of the Brexit vote by the UK.

During his working visit to Kyiv, Commissioner for European Neighbourhood Policy and Enlargement Negotiations **Johannes Hahn** said that Ukraine would be granted visa-free travel before the end of October.

**EU set to provide 90m euros for civil service reform in Ukraine**

The European Union is ready to provide financial assistance to Ukraine until the end of the year in order to support the civil service reform in the country, EU Commissioner for European Neighbourhood Policy and Enlargement Negotiations **Johannes Hahn** said during his visit to Kyiv on 11 July. The total size of the aid will reach 90m euros over a three-year period.

In addition, he said that the European Commission will soon adopt an anti-corruption programme for Ukraine, which stipulates funding in the amount of 50m euros.

**Ukraine suggests Eastern Partnership form economic space of its own**

The ministers of the EU's Eastern Partnership project met in Kyiv on 11 July 2016

for the seventh informal meeting.

Ukrainian Foreign Minister **Pavlo Klimkin** has said he raised the issue of holding a possible discussion on the creation of a single economic space by the Eastern Partnership member states, which include Ukraine, Georgia, Moldova, Belarus, Armenia and Azerbaijan. According to the minister, the member states are planning to hold consultations on the matter.

Commissioner for European Neighbourhood Policy and Enlargement Negotiations **Johannes Hahn** called on Ukraine and Russia to cancel mutual trade and transit restrictions.

### **Historians publish documents on Ukrainian-Polish conflict in 1940s**

The Ukrainian Institute of National Memory, the Centre for the Research of the Liberation Movement and the Archive of the Security Service of Ukraine (SBU) have made public 380 documents, including from the declassified KGB archives, on the Ukrainian-Polish conflict in 1942-1947.

They recalled that the conflict had not been properly studied by researchers because the archives were only made publicly available last year.

Polish President **Andrzej Duda** called on Ukraine to amend the legislation for the sake of "historical truth". According to the news and analysis website LB.ua, he probably meant the law on the status of the Ukrainian Insurgent Army (UPA) and other fighters for Ukraine's independence in the 20th century, which was adopted in 2015.

**Lukasz Adamski**, deputy director of the Centre for Polish-Russian dialogue and consent, said at a roundtable hosted by Gorshenin Institute that it was the adoption of the law on the status of the Ukrainian Insurgent Army which became a turning point in Poland-Ukraine relations. He stressed that namely after this the Polish Senate adopted a resolution in which words "a crime with the signs of genocide" were replaced by a stronger wording - "genocide", although from the legal point of view, it is one and the same thing.

### **Former Kyiv mayor's son arrested in Spain**

Eleven people, including four Ukrainians, have been arrested in Spain on suspicion of involvement with a criminal money laundering gang. Among them is the son of former Kyiv mayor **Leonid Chernovetskyk, Stepan**.

As reported by Spanish media, a court ruled that Chernovetskyk and six more people should be put in custody.

The Spanish court also impounded the Spanish flat and bank accounts of a Luhansk city judge, **Olena Horbatenko**. She stands accused of taking improper advantage from delivering particular court rulings.



## UKRAINE-USA

### Sea Breeze naval exercises launched in Ukraine

The annual Ukrainian-US exercises Sea Breeze started in Ukraine on 18 July. The drills will be held in the northwest part of the Black Sea, adjacent to Odesa and Mykolaiv regions, and will last until 30 July.

Ships, aircraft, marines and special forces from Ukraine, the United States, as well as Turkey, Romania, Moldova and Georgia, will take part in the exercises.

### US Senate endorses new ambassador to Ukraine

The US Senate has endorsed diplomat **Marie Yovanovitch** as ambassador to Ukraine.

## UKRAINE-CANADA

### Ukraine, Canada sign free trade agreement

Ukrainian Economic Development Minister **Stepan Kubiv** and Canada's International Trade Minister **Chrystia Freeland** signed a free trade agreement in the course of Canadian Prime Minister **Justin Trudeau**'s visit to Kyiv on 11 July 2016.

The agreement will be implemented during seven years.

It will open 98 percent of the Canadian market of goods to Ukrainian exporters. According to the news and analysis website LB.ua, Ukrainian goods that will benefit from duty-free access to the Canadian market include sunflower seed oil, sugar, confectionery, chocolate, alcohol, beer, juice; clothes, ceramics, metal and chemicals.

For its part, Ukraine cancelled duties on 80 percent of Canadian imports.

Under the agreement, Ukraine will receive technical assistance to improve the access of its goods to the Canadian market.

### Ukraine, Canada to consider visa liberalisation

Ukraine and Canada will begin consultations on visa liberalisation, Ukrainian President **Petro Poroshenko** said at a joint briefing with Canadian Prime Minister **Justin Trudeau** in Kyiv on 11 July 2016.

According to Trudeau, this would simplify travel for relatives living in the two countries.

According to an opinion poll held by the Gorshenin Institute, 78.7 percent of Ukrainians have a positive attitude toward Canada, 7.8 percent have a negative attitude towards that country. Another 13.5 percent were undecided. At the same time, 5.2 percent of the respondents expressed their willingness to have permanent residence in Canada.

**Canada agrees to prolong military instructors' deployment in Ukraine**

Ukrainian President **Petro Poroshenko** and Canadian Prime Minister **Justin Trudeau** have agreed that about 200 Canadian instructors training Ukrainian servicemen will stay in the country until the end of 2017.

On 12 July, Trudeau visited the Yavoriv training range in Lviv Region where the Canadian instructors have been training Ukrainian troops.

**Ukrainian Railways, Bombardier sign memorandum of understanding**

The board chairman of Ukrainian Railways (Ukrzaliznytsya), **Wojciech Balczun**, and board member **Oleksandr Buzhor**, on the one hand, and Erwin Gerber, head of Locomotives Business Unit, and Flavio Canetti, head of Business Development Unit, at Bombardier Transportation, on the other hand, have signed a Memorandum of Understanding (MoU) to explore the creation of joint industrial activities in Ukraine to manufacture locomotives and other equipment.

On 14 July 2016, the US company General Electric signed an agreement with Ukrainian Railways to ship one of its locomotives to Ukraine for testing on the Ukrainian rail network.

**UKRAINE-NATO****NATO, Russia disagree on Ukraine, secretary-general says**

Ukraine was the first item on the agenda of the NATO-Russia Council which met in Brussels on 13 July, NATO Secretary-General **Jens Stoltenberg** has said. "Allies and Russia have profound and persistent disagreements on the crisis," he concluded.

According to Stoltenberg, Russia's actions in Ukraine have undermined Euro-Atlantic security.

*Read more on the NATO-Russia Council in Gorshenin Weekly Russia.*

**Ukraine-NATO relations reach new level - US Department of State**

Relations between Ukraine and the North Atlantic Treaty Organization are moving from the "crisis response" level to the level of long-term partnership with the purpose of developing the Ukrainian Armed Forces in accordance with NATO standards, the speaker of the US State Department, **Joshua Baker**, said following the NATO summit in Warsaw.

He added that the United States will allocate another 335m dollars to Ukraine for defence purposes in 2016. The funds will be spent on training servicemen, buying radar and communications systems and hiring advisers who will help in the fight against corruption.

NATO will also provide support to the Ukrainian side in carrying out defence reform, clearing mines in the country's east and training officers and diplomats under NATO's standards.

It should be noted that according to Ukraine's Defence Ministry, the Ukrainian army received the largest aid from the United States. As part of the logistics assistance package, the Ukrainian Armed Forces received from Washington equipment, medical and technical supplies worth a total of 111m dollars.

In addition, the ministry reported that Canada gave the Ukrainian army humanitarian aid in the amount of 23.5m dollars, Poland - 6.5m dollars, Australia - 4.5m dollars, the United Kingdom - 4.5m dollars, China - 3.4m dollars, Slovakia - 1m dollars, Turkey - 1m dollars, Norway - 630,000 dollars, France - 600,000 dollars and the Netherlands - 500,000 dollars.

## **UKRAINE-AZERBAIJAN**

### **Ukraine, Azerbaijan to revisit joint oil pipeline project**

Ukraine and Azerbaijan have agreed to resume the Odesa-Brody pipeline project, Azerbaijani President **Ilham Aliyev** has announced following the talks with his Ukrainian counterpart **Petro Poroshenko** in Baku on 14 July 2016.

In addition, the parties signed a contract for the sales of 10 An-178 transport aircraft to Azerbaijan.

Poroshenko, for his part, confirmed Kyiv's official position on the Nagorny Karabakh conflict. In his words, Ukraine firmly believes the status quo of the disputed region cannot continue and that Azerbaijan's control over Karabakh should be reinstated.

## **UKRAINE-IRAN**

### **Ukrainian parliament upholds security council's decision on softer sanctions on Iran**

The Ukrainian parliament has upheld the National Security and Defence Council's decision to soften the sanctions introduced over Iran's nuclear programme.

In April, the Cabinet of Ministers of Ukraine decided that the sanctions on Iran should be lifted.

## **UKRAINE-UN**

### **UN Subcommittee on Prevention of Torture to resume work in Ukraine**

The delegation of the UN Subcommittee on Prevention of Torture will resume its work in Ukraine on 5-9 September after it received assurances from the Cabinet of Ministers of Ukraine, the Justice Ministry has said.

The delegation earlier suspended its visit to Ukraine after it was denied access to several locations in Ukraine where it suspected the Security Service of Ukraine (SBU) could hold people illegally.

**UN to give Ukraine technical help for agricultural development**

The UN Food and Agriculture Organisation will provide Ukraine with 15m dollars worth of technical assistance for agricultural development under the FAO Country Programming Framework for Ukraine 2016-19 prepared in consultation with the Agrarian Policy and Food Ministry.

**5. DOMESTIC POLITICAL****Interim parliament election held in seven constituencies**

An interim parliamentary election was held in seven single-seat constituencies on 17 July: No 23 (Volyn Region), No 27 (Dnipro), No 85 (Ivano-Frankivsk Region), No 114 (Luhansk Region), No 151 (Poltava Region), No 183 (Kherson) and No 206 (Chernihiv).

The election results should be established before 1 August.

**Ukrainian president signs law on judiciary**

Ukrainian President **Petro Poroshenko** has signed the bill on the judiciary and status of judges, one of the key regulations for judiciary reform, into law.

**Senior Ukrainian court okays dismissal of Maydan judges**

The Supreme Court has ruled that it is legitimate to dismiss judges who issued guilty verdicts against Euro-Maydan activists back in 2014 for breach of oath.

**Constitutional Court bans Ukrainian government from cutting spending on courts**

The Constitutional Court has recognised as illegitimate the provision from the final clauses of the law on the 2016 state budget which allowed the Cabinet of Ministers to correlate the amount of judiciary expenditures with the available financial resources of the state and local budgets and the Social Insurance Fund.

The Constitutional Court said that the issue of financial provision of courts and judges is regulated by laws not the Cabinet of Ministers' resolutions.

The complaint with the Constitutional Court was filed by the Supreme Court of Ukraine.

**Ukrainian parliament passes bill on internal biometric IDs**

Parliament has passed the bill which ensures Ukrainians' transition from paper internal passports to chipped IDs with biometric data. They will be issued to citizens who turned 14. There are no marriage records in new IDs.

On 15 July, parliament closed the session and took recess until 6 September.

**Parliament allows servicemen to terminate continuing contracts with army**

The Ukrainian parliament has passed the bill allowing volunteers who signed contracts with the Ukrainian Armed Forces in the beginning of the antiterrorist operation "until the end of a special period" to terminate them or sign fixed-term contracts on similar conditions for six, 12 or 18 months.

MPs also passed the bill simplifying the payment of social assistance to families of participants in the antiterrorist operation.

**Ukrainian parliament upholds president's changes to law on scrap metal duties**

The Ukrainian parliament has approved the president's amendments to the bill on an increase in export duties on scrap metal.

The head of state proposed a 30-euro export duty per tonne of ferrous metal scrap as a temporary measure for one year.

**Ukrainian aircraft manufacturer allowed to branch out abroad**

The Ukrainian parliament has allowed state-owned aircraft manufacturing companies to set up production facilities abroad.

The bill was prompted by the demands of the state-owned company Antonov's partners. For instance, Taqnia Aeronautics wanted to build an aircraft construction facility to manufacture An-132 in its home country, Saudi Arabia.

Also, to take part in an Indian tender to design a regional plane, Antonov has to propose its partner Hindustan Aeronautics Limited (HAL) to establish a joint venture.

**Ukrainian president signs law on financial restructuring**

Ukrainian President **Petro Poroshenko** has signed the law on financial restructuring, which introduces a mechanism of voluntary financial restructuring for corporate debtors with a view to settling bad loans and resuming crediting of the economy by banks.

**Ukraine fast tracks marriage registration**

The Cabinet of Ministers has approved a pilot project to fast track marriage registration in Kyiv, Odesa, Lviv, Donetsk and Luhansk regions with regard to servicemen taking part in the antiterrorist operation, and in Kherson Region with a view to residents of Russia-annexed Crimea. The procedure, which normally takes 30 days, could now be completed in a day in the mentioned areas.

As of 2017, the Justice Ministry expects to roll out the service nationwide.

**Law enforcers find rifle used against Maydan activists**

Law enforcers, in the course of searches, have found parts of a sniper rifle that was used by Berkut riot-police officers to shoot on Maydan protesters near Zhovtnevyi Palace, Prosecutor-General Yuriy Lutsenko has said.

**Prosecutor-General's Office opens case against party leader**

The Prosecutor-General's Office has opened a criminal case against the leader of the Radical Party, **Oleh Lyashko**, after the latter posted a video in which he is threatening the prosecutor of Chernihiv Region, **Viktor Nosenko**, over the phone.

The criminal proceedings were opened over threats of violence against a prosecutor. In addition, Lyashko's actions are qualified as influencing a law-enforcement officer with a purpose of preventing him or her from fulfilment of duties.

In the video, the MP demanded that the prosecutor resign due to the detention of the mayor of Mena (Chernihiv Region), **Hennadiy Primakov** (a representative of the Radical Party), who is suspected of corruption.

**Court arrests head of Odesa Portside Plant**

The Solomyansky district court of Kyiv has arrested until 9 September the chairman of the supervisory board of the Odesa Portside Plant, the first deputy head of the state-run energy company Naftohaz Ukrayiny, **Serhiy Pereloma**, who is suspected of misappropriating the Odesa plant's funds. He may be released on a bail of 80m hryvnyas (3.24m dollars).

Pereloma is a defendant in the criminal case concerning the embezzlement of the Odesa plant's funds. He and the plant's first deputy head, **Mykola Shchurikov**, are charged with misappropriating 205m hryvnyas (8.3m dollars). Previously, they were detained by police officers.

**State company's ex-manager arrested under Kyoto money embezzlement case**

The Kyiv Solomyansky district court has ruled to take into custody for sixty days the former director of the state enterprise Ukrainian Environmental Investments, **Oleksiy Koval**, who was detained by detectives of the National Anti-Corruption Bureau of Ukraine (NABU). He can also be released on a bail of 5.5m hryvnyas (223,000 dollars).

Koval is suspected of making an attempt to misappropriate, on preliminary arrangement with a group of persons, more than 480m hryvnyas (19.43m dollars) allocated to Ukraine under the Kyoto Protocol.

**Court arrests two National Bank ex-officials**

The Kyiv Holosiyivsky district court has arrested for 60 days the ex-deputy

head of the National Bank, **Oleksiy Tkachenko**, and the director of the general banking supervision department, **Roman Yakovlev**, who were detained by officers of the Military Prosecutor's Office and the Security Service of Ukraine (SBU) on embezzlement charges one day before.

At the same time, the court ruled that Tkachenko may be released on a bail of 20m hryvnias (810,000 dollars) and Yakovlyev on a bail of 10m hryvnias (405,000 dollars).

Both of them are charged with misappropriating (through abuse of office) a stabilization loan of 787.4m hryvnias (32m dollars) issued to Real Bank in the period from April 2013 to February 2014.

According to investigators, the detainees acted in collusion with the former head of the National Bank, **Ihor Sorkin** (arrested in absentia by the Kyiv Pechersky district court in March), the former head of the board of Real Bank, **Volodymyr Ahafonov**, and businessman **Serhiy Kurchenko** (all of them are wanted by the Ukrainian authorities).

Real Bank was among the first banks that were closed after the Euro-Maydan revolution in Ukraine. The bank's largest client was VETEK Group of Kurchenko, who is now on the wanted list.

### **Court arrests former deputy head of Ukrzaliznychpostach**

The Solomyansky district court of Kyiv has ruled to take into custody for a period of two months the former deputy director of the state enterprise Ukrzaliznychpostach (now Production Support Centre, a branch of Ukrzaliznytsya), **Roman Kravchuk**, as a measure of restraint. As an alternative, he may be released from custody on a bail of 2.86m hryvnias (116,000 dollars).

The National Anti-Corruption Bureau previously reported that three former officers of Ukrzaliznychpostach had been arrested. According to the agency, in 2015, the Ukrzaliznychpostach officials, together with representatives of business entities, inflated the cost of procurement items by over 20m hryvnias (810,000 dollars).

It should also be noted that famous Polish top manager **Pavel Jarczewski** was appointed head of Ukrzaliznytsya's Production Support Centre.

### **Court reinstates prosecutor of antiterrorist operation forces**

The appeals court of Kyiv has reinstated **Kostyantyn Kulyk** in the positions of military prosecutor of antiterrorist operation forces.

Earlier, the Kyiv Solomyansky district court suspended Kulyk from his post for two months and chose personal recognizance as a measure of restraint.

The National Anti-Corruption Bureau of Ukraine suspects the official of illicit enrichment.

## Deputy health minister released on bail

Deputy Health Minister **Roman Vasylyshyn**, who is suspected of corruption, has been released from custody on a bail of 2.86m hryvnias (116,000 dollars).

At the same time, the cabinet suspended Vasylyshyn from office.

In addition, the government sacked chief sanitary doctor **Svyatoslav Protas**, who is suspect of bribery.

## Court confirms journalist's work ban unlawful

The Kyiv appeal administrative court has upheld the ruling made by the first-instance court saying that the Kyiv city employment centre illegally cancelled the work permit of TV journalist **Savik Shuster**.

## Court acquits journalist Kotsaba

The appeals court of Ivano-Frankivsk has declared journalist **Ruslan Kotsaba** not guilty of treason and has released him from custody.

In May, Kotsaba was sentenced to 3.5 years in prison for calling on Ukrainian citizens not to dodge the mobilization.

## Court freezes Burisma's accounts

The Kyiv Pecherskyy district court has frozen cash and securities on bank accounts belonging to the companies comprising the gas producing holding Burisma of former Ukrainian Ecology Minister **Mykola Zlochevskyy**.

In particular, the accounts of Energy Service Company Esko-Pivnich, Pari and First Ukrainian Gas and Oil Company were frozen.

In addition, the court arrested 46 wells of these companies.

All these arrests were carried out under the pre-trial investigation conducted by the Prosecutor-General's Office regarding the appropriation of funds by officials of the state-owned Ukhazvydobuvannya company under joint-activity agreements in 2010-14. Officers of the Burisma companies are also suspected of tax evasion.

According to Prosecutor-General **Yuriy Lutsenko**, other shareholders of Burisma, except for Zlochevskyy, were not involved in the scheme. As is known, **Hunter Biden**, the son of the US vice-president, and former Polish President **Aleksander Kwasniewski**, hold high positions in the holding company.

In early 2015, Zlochevskyy was put on the wanted list on suspicion of illicit enrichment.



## 6. RELIGION

### **Constantinople sets up commission on Ukrainian autocephaly**

A regular session of the Holy Synod of the Constantinople Patriarchate was held in Istanbul on 12-13 July.

Among other issues, the Synod considered the address of the Ukrainian parliament to Ecumenical Patriarch **Bartholomew**. In the address, parliament asks for granting autocephaly to the Ukrainian church.

The Synod decided to hand over the matter to a special commission for examination.

According to the news and analysis website LB.ua, this is the most logical reaction of the Church of Constantinople, which is in full compliance with procedures that are usually undertaken in such cases. An intermediate decision has been made, and it gives the Church of Constantinople freedom of action, the website noted.

### **Pro-Moscow Ukrainian church holds procession**

The Ukrainian Orthodox Church of Moscow Patriarchate (UOC-MP) is holding a procession. The march began from the Svyatohorsk Lavra in eastern Ukraine (Donetsk Region, the territory is controlled by the Ukrainian government) on 3 July and from the Pochayiv Lavra in the country's west (Ternopil Region) on 9 July. The participants in both marches plan to meet in Kyiv on 27 July, the eve of the celebration of the Christianisation of Rus-Ukraine

The Ukrainian Orthodox Church of Kyiv Patriarchate criticized the move and said that by holding a procession the UOC-MP was trying to demonstrate its influence and to consolidate its supporters.

According to parliament speaker **Andriy Parubiy**, the procession to Kyiv was organized by the Kremlin to destabilize the situation in Ukraine.

At the same time, Ukrainian media reported that the column of believers is accompanied by men dressed in camouflage uniforms without insignia, and that some of the participants in the procession are wearing St. George's ribbons (pro-Russian symbols widely used by the militants in Donbas).

The Interior Ministry reported that in order to avoid provocative actions, the believers are guarded by 250 law-enforcement officers, while the total number of police officers who will be used for the protection of the order makes 2,500 people.

## 7. ECONOMY

### **IMF may revise lending programme for Ukraine after board's recess**

The IMF Board of Directors may hold a meeting on the programme for Ukraine in July, or if the review takes some more time, it may be postponed to a later date - after the annual recess of the Board scheduled for the first half of August,

IMF spokesman **Gerry Rice** has said.

According to the spokesman, the Ukrainian parliament has passed all the necessary laws for the current programme review, although there is a number of laws that are yet to be adopted or amended over the next several months that are important for the overall success of the programme.

Earlier, Ukrainian Finance Minister **Oleksandr Danyluk** said that the talks with the IMF on the next tranche had been completed.

### **State budget receives 50m dollars in dividends for 2015**

The State Property Fund has reported that state companies managed by it have transferred to the state budget 1.24bn hryvnias (50.2m dollars) in dividends from 2015 profits. This figure is 3.2 times higher than dividend receipts seen the year before.

### **Imports of goods exceed exports by 694m dollars in January-May**

The deficit of foreign trade in Ukraine in January-May was 694m dollars, the State Statistics Service has reported.

Exports fell by 11.5 percent to 13.69bn dollars, while imports dropped by 6.2 percent to 14.39bn dollars.

### **Dnipro, Zhytomyr city councils support moratorium on raising utility rates**

The Dnipro city council on 13 July adopted a decision to impose a moratorium on raising utility services tariffs until 2017.

On 14 July, a similar moratorium was imposed by members of the Zhytomyr city council.

Earlier, the Kyiv city council prohibited increased utilities tariffs for households until 1 October 2016.

However, Social Policy Minister **Andriy Reva** noted that city councils have no authority to change utilities tariffs. At the same time, he added that local authorities can provide tariff compensations from local budgets.

### **Deposits in Ukrainian banks grow by nearly 1bn dollars in first half-year**

Deposits in solvent Ukrainian banks increased by 977m dollars in the first half-year, the National Bank has reported.

The growth of foreign-currency deposits reached 4.4 percent (plus 578m dollars). Deposits in national currency grew by 2.6 percent (plus 9.9bn hryvnias or 401m dollars).

**Volume of Ukrainian e-commerce market reaches 1.1bn dollars in 2015**

The total size of the e-commerce market reached 1.1bn dollars in 2015, according to the Ukrainian Association of Direct Marketing. In domestic currency, the e-commerce market grew by 32 percent compared to 2014 year, but contracted by 31 percent in dollars.

**National Bank liquidates Mykhaylovskyy bank**

The National Bank has decided to revoke the banking license of Mykhaylovskyy bank and liquidate it.

The bank had previously been declared insolvent.

In addition, the National Bank sent a letter to law-enforcement agencies concerning the bank's operations that may be indicative of signs of organized crime in the actions of its managers.

**Watchdog cancels licenses of 95 insurance companies**

The National Financial Market Regulation Commission has decided to revoke licenses of 95 insurance companies because they refused to allow the regulator's inspectors to hold checks.

The commission stressed that the cancellation of the licenses does not relieve the companies from their obligations under insurance contracts signed earlier.

**8. ENERGY****EBRD agrees list of potential Naftohaz suppliers**

The European Bank for Reconstruction and Development has published a list of natural gas suppliers that have been preliminarily qualified and received the right to participate in tenders for the purchase of gas by the state-run energy company Naftohaz Ukrayiny using the bank's funds. Two companies - CEZ A.S. (the Czech Republic) and ENGIE SA (France) were pre-qualified for that purpose.

Another 11 companies were pre-selected on a provisional basis. Among them are three companies from Germany, two from the UK, two from Poland, two from Slovakia, one from Italy and one from Switzerland.

**Gazprom liquidates RosUkrEnergo**

Russia's Gazprom has completed the procedure of liquidation of RosUkrEnergo. This Swiss-based gas trader was excluded from the list of the Russian company's affiliated entities.

RosUkrEnergo was registered as a joint venture of two financial institutions – Gazprombank Group (which owns a 50-percent stake) and Centragas Holding, whose actual owners are Ukrainian citizens Dmytro Firtash (90 percent) and Ivan Fursin (10 percent).

In 2004-09, the company served as a mediator for gas supplies to Ukraine from Russia.

### **Higher Economic Court dismisses Gazprom's appeal against 3.5bn-dollar fine**

The Higher Economic Court of Ukraine has turned down the appeal filed by Russia's Gazprom that demanded the invalidation of rulings issued by lower courts to dismiss without consideration Gazprom's appeal against the decision of the Antimonopoly Committee of Ukraine to impose a fine of 85.97bn hryvnyas (3.5bn dollars) on the Russian company.

The antitrust agency fined Gazprom for the abuse of its monopoly position in the gas transit market. The fine payment term expired on 12 April.

### **Ukraine resumes gas supplies from Hungary and Poland**

Ukraine on 9 July resumed imports of natural gas from Hungary (suspended on 1 July 2016). This follows from data published by the Ukrainian gas transport system operator Ukrtransgaz.

The daily volume of gas imports from Hungary is 1.6m cu.m.

At the same time, according to the operator of Slovakia's gas transport system Eustream, Ukraine increased its daily application for gas imports via the Slovak route to 8.8m cu.m.

In addition, on 16 July, Ukraine resumed gas imports from Poland (up to 0.3m cu.m. per day), which were suspended in mid-May.

### **Appeals court overturns ruling on Chornomornaftohaz's bankruptcy**

The Kyiv economic court of appeals has overturned the decision of the economic court of Kyiv to open a bankruptcy case against the state oil and gas company Chornomornaftohaz, whose core assets were lost following the Russian occupation of Crimea.

According to the state-run energy company Naftohaz Ukrainy, the abolition of the decision will allow Chornomornaftohaz to continue work for the recovery of assets lost in Crimea. The book value of these assets makes 14.9bn hryvnyas (603m dollars).

### **Ukraine cuts electricity production by 5.7 percent over six months**

Electricity production in Ukraine in January-June decreased by 5.7 percent compared to the same period in 2015, to 76.46bn kWh, the Energy Ministry has reported.

At the same time, domestic consumption of electricity decreased by 5.4 percent to 73.52bn kWh.

Also, Ukraine in January-June increased electricity exports by 21.5 percent to 2.19bn kWh.

## 9. ECOLOGY

### **Ukraine ratifies Paris climate agreement**

The Ukrainian parliament has ratified the Paris climate agreement which was adopted in December 2015 to replace the Kyoto Protocol starting from 2020.

The purpose of the document is to move as quickly as possible from the build-up of greenhouse gas emissions to their reduction and to achieve a balance between sources and sinks of greenhouse gases in the second half of the 21st century.

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**Our contact information:**  
18b Mala Zhytomyrska st.,  
Kiev 01001, Ukraine  
+38 044 230 4962  
+38 044 230 4966 f



For more information please visit our website  
<http://gorshenin.eu/>