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**Ukrainian parliament
adopts first reading of
new Criminal
Procedure Code.
Decriminalizing
articles under which
ex-premier faced
charges fails**

On 9 February 2012, the Ukrainian parliament adopted in the first reading a presidential draft of the Criminal Procedure Code (CPC).

The Ukrainian news and analysis website Lb.ua reported that the presidential draft of the CPC was registered in parliament on 13 January 2012. A group of lawmakers headed by presidential advisor **Andriy Portnov** has been working on it for a year and a half.

The document completely changed the existing model of criminal legislation. First of all, the draft law envisages a change in the prosecutor's role, who, in fact, will now become the head of investigation and will be in charge of the entire process – from the beginning of an investigation to the point when a court delivers a verdict. Additionally, the bill does not foresee a concept of opening a criminal case. Instead, after receiving a statement about a crime or after detecting a crime, either an investigator or a prosecutor will have to make a record of it in the Single Registry of pre-trial investigations. Among other changes, the draft of the new CPC also allows a jury trial in criminal cases.

Introducing the draft law in parliament, Portnov drew the attention of lawmakers to the fact that international organizations gave a positive assessment to the presidential bill.

The opposition harshly criticized the presidential draft law.

«There are plans to directly violate the constitution when criminal cases can be launched against opposition MPs without the consent of the Verkhovna Rada of Ukraine, when they can be detained for 72 hours and when all procedural actions, except arrest, can be carried out,» the head of the opposition Yuliya Tymoshenko Bloc (YTB) parliamentary faction, **Serhiy Sobolev**, said.

For its part, the pro-presidential Party of Regions expressed its unanimous support for the draft law. «Within a month, the document will be passed as a whole, especially considering that this is a demand of the international community,» the Party of Regions parliamentary faction's head, **Oleksandr Yefremov**, said.

It is noteworthy that on the same day, 9 February 2012, the Party of Regions refused to support the draft laws proposed by the opposition on the decriminalization of Articles 364 and 365 of the Ukrainian Criminal Code under which former Prime Minister **Yuliya Tymoshenko** was convicted.

Commenting on the recent PACE resolution, which called on Ukraine to consider all available means for releasing Tymoshenko and other former government officials and also to ensure that Articles 364 and 365 of the Ukrainian Criminal Code meet European standards, Yefremov said that many European countries have similar legal provisions.

«We would like our European colleagues to present us with a clarification on this issue and with proposals regarding how they see this provision applied to the Ukrainian legislation,» Yefremov said.

USA concerned about situation in Ukraine. EU considers high-level meetings pointless. Mass media report possible sanctions

On 6 February 2012, US Assistant Secretary of State for Europe and Eurasian Affairs Philip Gordon visited Ukraine.

In Kiev, the US official met high-profile officials from the administration of President **Viktor Yanukovich**, Prime Minister **Mykola Azarov** and diplomats of the US embassy. Gordon also held meetings with the Ukrainian opposition members.

During the visit, Gordon told Ukrainian journalists that criminal persecution of former Prime Minister Yuliya Tymoshenko was harming Ukrainian-US relations.

«We expressed concern over the fact that it looks like selective persecution, especially when it comes to Tymoshenko. US Secretary of State **Hillary Clinton** told Ukrainian President **Viktor Yanukovich** [during a meeting in Munich on 4 February 2012] that this impression was standing in the way of full cooperation with Ukraine, ... which is potentially possible,” he said.

Gordon added that US ambassador to Ukraine **John Tefft** wanted to visit Tymoshenko in Kharkiv's prison «but was not granted permission to do so».

It is noteworthy that after holding a meeting with Clinton, Yanukovich said that the issue of Ukraine's European integration should not be considered in the context of the situation with Tymoshenko.

The mass media reported that the opposition gave the US and EU leaders a list of Ukrainian officials who should face sanctions and be banned from entering the USA and the EU countries.

The Internet portal Glavcom quoted its own sources as saying that the USA and the EU took the received lists very seriously. According to the information at the website's disposal, US Secretary of State Clinton mentioned a possible legalization of such a list during the meeting with President Yanukovich.

We would like to note that on 7 February 2012, EU envoy to Ukraine **Jose Manuel Pinto Teixeira** said that European leaders saw no point in meeting President Yanukovich. “There was a sufficient number of meetings... But in 2011 we saw that all the appeals and requests to President Yanukovich not to proceed along the current path and not to use the judiciary for political purposes in order to eliminate political rivals had not been heard,” he explained.

On 8 February 2012, Polish Foreign Minister **Radoslaw Sikorski** also paid a visit to Ukraine. During the visit, he stated that the political conditions necessary for signing an association agreement between Ukraine and the EU did not exist at the moment.

Former prime minister forced to read materials of new criminal case by end of March 2012

Court hearings of the new criminal case launched against former Prime Minister Yuliya Tymoshenko will begin at the end of March 2012.

On 9 February 2012, the Kharkiv's Kiev district court ruled upon a request submitted by the Security Service of Ukraine (SBU) that Tymoshenko and her lawyers should read the materials of the case opened over the United Energy Systems of Ukraine (UESU) corporation by 28 March 2012.

If Tymoshenko fails to read all the materials by the indicated date, the investigators will consider that she has finished reading them.

Tymoshenko and her lawyer were not present when the ruling was read.

The SBU believes that Tymoshenko and her defence deliberately prolong the process of reading the materials of the UESU case.

The former prime minister's lawyer, **Serhiy Vlasenko**, said that the dates decided by the court were absurd. According to him, each case volume has up to 300 pages. Therefore, he will not be able to finish reading them by 28 March. The lawyer added that he will file and appeal against the court ruling.

It is noteworthy that on 9 February 2012, the term of Tymoshenko's arrest over the UESU case expired. An SBU investigator could apply for an arrest extension but did not use this opportunity. The SBU explained that there was no longer a need to arrest Tymoshenko twice.

Vlasenko said that a procedural end to the arrest only impaired the possibility of communication between Tymoshenko and her lawyers. «Earlier, we could see each other for eight hours a day, now it is five,» he noted.

On 11 October 2011, a court sentenced Tymoshenko to seven years behind bars for exceeding her authority when she signed gas contracts with Russia in 2009.

Former Ukrainian premier to be examined by foreign physicians on 13 February 2012

Former Ukrainian Prime Minister Yuliya Tymoshenko has been granted permission to be examined by foreign physicians.

The press service of the Prosecutor-General's Office of Ukraine (PGO) has said that on 13 February 2012, German and Canadian specialists will arrive in Ukraine. Together with their Ukrainian counterparts, they will examine Tymoshenko.

President Yanukovich's US advisor to be summoned as a respondent in Tymoshenko's claim against Rosukrenergo

Tymoshenko's defence lawyer says US court to probe into his client's claim soon.

Yuliya Tymoshenko's defence lawyer Serhiy Vlasenko in an interview with the Zerkalo Nedeli weekly told about progress with the claim that Tymoshenko filed with a New-York court.

As known, on 26 April 2011 Yuliya Tymoshenko on behalf the people of Ukraine filed a complaint within the U.S. District Court in Manhattan, New York, accusing unnamed individuals and companies (so-called "JohnDoe") in deceiving Ukrainians through manipulations with the resolution approved by the Stockholm Court of Arbitration (dealing with the return of 12.1bn.m.c.u. of natural gas from Naftohaz Ukrayiny to Rosukrenergo).

According to Vlasenko, the only problem that hampers progress in this case is difficulties with the delivery of the summons notice to one of the respondents – Rosukrenergo's co-founder **Dmytro Firtash**. "He is sort of a secluded man, he made very serious arrangements to ensure his personal security and this is the reasons for problems with summoning him to court", - Vlasenko said adding that Tymoshenko's party did not exhaust all its capabilities to deliver the summons notice. He also said that the trial will start in 21 days after delivery of the summons notice.

Vlasenko added that the list of respondents includes not only Ukrainians, but also citizens of other counties who actively served business interests of "Firtash and Co".

“Now Mr. Manafort is also listed among the respondents. He is a US resident and this fact significantly strengthens our positions in terms of jurisdiction”, Vlasenko said. “Based on the documents that we submitted as part of our claim, Manafort consults not only Firtash, but also [Head of President Yanukovych's Administration] Serhiy Lyovochkin, [Energy Minister] Yuriy Boyko, President Viktor Yanukovych and other people. According to these documents, Paul Manafort ensured investing these gentlemen's money into US economy”, - Vlasenko said.

Vlasenko also said that after the summons notice is delivered to Mr. Firtash, summon notices will also be delivered to a number of Ukrainian senior officials, including President Yanukovych. Also, a summons notice will be delivered to **Semen Mogilevich**.

Tymoshenko's defence lawyers did not raise the issue of involving Gazprom as a party of the litigation in the Stockholm Court of Arbitration; this issue is left for the court's consideration.

**Corruption scandal
erupts in Ukrainian
parliament**

The Ukrainian opposition has accused the government of bribing lawmakers. On 8 February 2012, MP of the opposition Yuliya Tymoshenko Bloc (YTB) **Roman Zabzalyuk**, who left Tymoshenko's party last year to join the pro-government Reforms for the Future parliamentary faction, publicized sensational tapes on which a person with the voice reminding that of Reforms for the Future's leader, **Ihor Rybakov**, offered Zabzalyuk hundreds of thousands of dollars for backing President **Viktor Yanukovych**: voting for necessary draft laws, selecting suitable candidates loyal to the Party of Regions for the participation in elections in western Ukraine and placing «pro-government people» in electoral commissions.

The YTB says that Zabzalyuk has been working for the pro-government camp upon its request. This way the opposition revealed to the public how the forces loyal to the government operate. After Zabzalyuk's return into the «opposition ranks», he was appointed deputy head of the YTB parliamentary faction.

Zabzalyuk said that he received 450,000 dollars from Rybakov for leaving the YTB parliamentary faction. He also received 20,000 dollars per month for being a member of the Reforms for the Future faction.

On 10 February 2012, Zabzalyuk said that a statement about bribing MPs and the corresponding tapes had been submitted to the Prosecutor-General's Office of Ukraine.

It is noteworthy that leaders of the Reforms for the Future faction acknowledged that they had given Zabzalyuk around 100,000 dollars for medical treatment. However, they denied all the accusations, adding that the tapes were doctored.

For its part, the pro-presidential Party of Regions said that it had nothing to do with the case. Its members also said that the money received by Zabzalyuk by criminal methods should be transferred to the budget.

In the opinion of presidential advisor **Andriy Portnov**, both MPs – Zabzalyuk and Rybakov – should be punished for the scandal. On 23 December 2011, Zabzalyuk left the YTB faction. On 10 January 2012, he joined the Reforms for the Future parliamentary faction headed by Rybakov.

Mass media report on potential amendments to election law

In the nearest future, the Constitutional Court of Ukraine (CCU) may cancel a number of provisions of the recently adopted law on elections.

Journalist **Mustafa Nayem** wrote for the Ukrayinska Pravda website that the CCU may prohibit the same person to be on a party list and run in a single-member constituency. A court may take a corresponding decision following a proposal by the Party of Regions MPs.

According to the information at the disposal of the Ukrayinska Pravda website, immediately after the ruling of the CCU, the Party of Regions will put forward additional amendments to the law on parliamentary election. It is noteworthy that for the law to pass, a constitutional majority was required (300 MPs), while only 226 votes are needed to pass amendments.

At the same time, MPs of the Party of Regions will propose to lower the electoral threshold, to cancel the ban on blocs of political forces to participate in elections, to change the procedure for setting up district electoral commissions, for cancelling a candidate's registration and for distributing first-past-the-post districts, the author wrote in his article.

According to his sources, the explanation for these amendments will be as follows: «The Parliamentary Assembly of the Council of Europe and the entire European community demand this.»

Parliament to expand presidential powers

The Ukrainian parliament will transfer some power over the state budget to the president.

On 10 February 2012, parliament adopted the first reading of presidential draft law No 9665. This bill envisages that the major aspects of fiscal policy for a planned fiscal year and a state budget forecast for the two fiscal years following the planned one will be developed in line with the priorities of the fiscal policy outlined in an annual presidential address to parliament on Ukraine's domestic and international affairs. It is also proposed to issue governmental resolutions and instructions mandatory for implementation not only on the basis of the constitution and presidential acts and laws, but also on the basis of the mentioned annual presidential address to parliament.

This means that while drawing up a budget, the government and local state administrations will have to comply with all the provisions from a presidential address.

While debating the draft law, some opposition lawmakers said that the bill practically deprived parliament of the possibility to interfere in the fiscal process, violated the constitutional principle of the distribution of powers and, in fact, established «an authoritarian model of a presidential republic». For its part, the Party of Regions noted that if this document is adopted as a law, it will make it possible to define priorities more clearly.

Gas negotiations may again be completed in nearest future

The Ukrainian-Russian gas negotiations have been resumed and intensified.

«I can say today that after the phone conversation which took place two days ago between the Ukrainian president and Russian leaders, a decision was made to resume these negotiations. They will start in Moscow in the nearest future...» Russian ambassador to Ukraine **Mikhail Zurabov** said on 10 February 2012.

He said that the chances for agreeing on contracts acceptable for the two states were rather high. Zurabov suggested that it may take place in the nearest future.

It is noteworthy that on the same day, Ukrainian Prime Minister **Mykola Azarov** said that Ukraine had practically agreed on gas and oil imports from other countries.

Ukrainian state-run oil and gas trader Naftohaz Ukrayiny paid Russia's Gazprom 808m dollars for the gas consumed in January.

Cheese war continues, Ukraine and Russia holding talks

Ukraine and Russia to set up a working group to carry out joint inspections of Ukrainian cheese plants.

Head of Russia's Federal Service for Consumer Rights Protection (Rospotrebnadzor) **Gennadiy Onishchenko** and Minister of Agricultural Policy of Ukraine **Mykola Prysyzhnyuk** reached the respective agreement during a meeting in Moscow on 9 February 2012.

During the meeting, Onishchenko said that the officers of Rospotrebnadzor would personally inspect Ukrainian facilities that produce cheese and export it to Russia. In turn, Prysyzhnyuk admitted that Russia might have reasons to make complaints about the Ukrainian produce.

At the same time, he expressed hope that the ban on imports of the Ukrainian products would be lifted within 10-12 days.

At the moment, three Ukrainian producers – Pyryatyn Cheese Factory (Milk Alliance Group), Prometeya (part of Milkiland) and Gadyachsyr (Almira) – are banned from exporting cheese to Russia.

On February 10, 2012, Prime Minister of Ukraine **Mykola Azarov** said that the cheese conflict was started by Russian lobbyists. At the same time, he confirmed high quality of Ukrainian cheeses.

In response, Onishchenko said that Russia would suspend the negotiations.

The Association of Ukrainian Dairy Producers (Ukrmolprom) claims that the findings of Rospotrebnadzor come into conflict with the results of the tests performed by independent Russian laboratories, and also raise doubts because Rospotrebnadzor supposedly purchased and tested Ukrainian cheeses that are not shipped to Russia and even not produced by Ukrainian companies.

For his part, deputy head of the YTB's parliamentary faction **Serhiy Sobolev** pointed out that the sanctions were introduced only against those Ukrainian plants that belong either to Ukrainian or Western companies while the Ukrainian dairies owned by Russian businessmen suffered no sanctions.

President reshuffles defence and security agencies, appointing new defence minister

President Viktor Yanukovich has performed another management reshuffling in the government's defence and security structure.

According to the Ukrainian news and analysis website LB.UA, on 8 February 2012, Yanukovich issued decrees dismissing Defence Minister **Mykhaylo Yezhel** and replacing him with **Dmytro Salamatin**, who was dismissed from the post of director -general of the state-run arms trading company Ukroboronprom.

When introducing the new defence minister, Yanukovych said that he expects the defence agency to develop a realistic concept of reforms in the Ukrainian army.

Head of the Party of Regions' parliamentary faction **Oleksandr Yefremov** said that the appointment of the new defence minister was triggered by the acute need to tackle urgent problems of the ministry. "There are too many problems in this agency that need to be solved urgently."

For his part, deputy head of the YTB's faction Serhiy Sobolev pointed out that "the appointment of the new defence minister is a logical conclusion of the total control gained by Yanukovych's family over the law-enforcement agencies – the prosecutor's office, the Interior Ministry and the Tax Administration."

The head of the Parliamentary Committee for National Security and Defence, MP **Anatoliy Hrytsenko** of the Our Ukraine – People's Self-Defence faction supports Sobolev's opinion. "Behind this appointment I see the president selecting people according to the degree of their personal loyalty and willingness to fulfill any order he could give to the armed forces."

In addition, MP **Yuriy Karmazin** of the Our Ukraine – People's Self-Defence said that Salamatin is a Kremlin puppet because he was a citizen of Russia for a long time.

On 10 February 2012, MP **Andriy Parubiy** of the Our Ukraine – People's Self-Defence asked the Security Service of Ukraine to check the information on Salamatin's possible collaboration with the Main Intelligence Department of the General Staff of Russia's Armed Forces.

It is worth mentioning that incumbent chief of the Security Service of Ukraine **Ihor Kalinin** was born in Mytishchi district, Moscow region, on 28 December 1959. In 1981, he graduated from the Moscow Higher Command School of Road and Engineering Forces. He has a degree in military sciences under the specialty "intelligence and foreign armies." From 1984 and until the Soviet Union's breakup, he served in the Committee for State Security (KGB) of the Soviet Union.

Reference:

From 1991 to 1999, Salamatin was a citizen of Russia and lived in Moscow. In 2007, he became a member of the Ukrainian parliament, representing the Party of Regions. From January 2011, Salamatin worked as director-general of the state-run concern Ukroboronprom. According to sources in Ukrayinska Pravda, the new minister is a son-in-law of former First Deputy Prime Minister of Russia **Oleg Soskovets**.

It should be noted that his tenure as chairman of Ukroboronprom was marred by a scandal around disruption in the supplies of armoured vehicles to Iraq under the contract worth 457m dollars signed in 2009.

Salamatin is also famous for his involvement in several fights in parliament. According to a survey conducted by the Gorshenin Institute in September 2011,

the majority of Ukrainian citizens (68.3%) believe that in the event of a real military threat from other states, the Ukrainian army will not be able to defend Ukraine.

President appoints new head of state guard service

On February 9, 2012, President Viktor Yanukovich appointed Serhiy Kulyk as head of the State Guard Directorate of Ukraine.

As reported earlier, this position was previously held by incumbent chief of the Security Service of Ukraine **Ihor Kalinin**.

Land reform implementation delayed

Approval of the law on land market is delayed.

Speaking in parliament on 7 February 2012, President Viktor Yanukovich said that members of parliament should not be in a hurry to approve the law "On the Land Market".

"I hope you will approach this issue responsibly... We will not be in a hurry. The most important is to take a balanced approach, taking into account the interests of rural dwellers. This is our top priority", - Yanukovich said.

On 31 January 2012 the head of the State Agency for Land Resources, said that the Law "On the Land Market" was likely to be considered by parliament in the second reading at the plenary session on 7-10 February 2012. The Party of Regions' parliamentary faction leader, Oleksandr Yefremov, announced the same deadlines.

Nevertheless, the Ukrainian parliament speaker, Volodymyr Lytvyn, said that the law is most likely to be approved in the autumn. "The parliament will review the draft law when the society is ready to accept it. I think this will happen no sooner than autumn", Lytvyn said.

The current parliament's session – the tenth one – will last from 7 February till June 2012, the eleventh session will be started on 4 September 2012.

The law "On the Land Market" was approved in the first reading in December 2011.

Ukraine may limit wheat export

The Ukrainian Agricultural Policy Ministry recommends grain traders to temporary limit export of wheat.

The ministry's official, Serhiy Kvasha, has said that these recommendations are linked to an unclear situation with the winter crops, as due to adverse weather conditions part of the winter crops was lost.

Kvasha also said that the exact condition of the autumn-sowed wheat will be clear within the next two months. He also said that the winter wheat harvest is the main food grain resource.

IMF demands increase of natural gas prices

The International Monetary Fund (IMF) insists on raising the price of natural gas for households.

In particular, IMF Resident Representative for Ukraine **Max Alier** wrote in a letter to First Deputy Prime Minister and Minister of Economy **Andriy Klyuyev** that the current energy policy of Ukraine remains unacceptable. "The low price of natural gas used by the public and utility companies undermines the financial

position of Naftohaz Ukrainy, eliminates incentives for improving energy efficiency and investment, and also ensures disproportionately high subsidies for the largest gas consumers.”

Therefore, the IMF suggests that the Ukrainian government increase the price of gas for households by 30% and for municipal thermal power enterprises by 58%.

As reported earlier, a Ukrainian delegation held talks with the IMF in Washington, D.C. on 24-25 January 2012.

The Ukrainian authorities have repeatedly said that the price of gas for households will not be raised. They also noted that Ukraine can survive without IMF loans.

Recently, the head of Russia's Sberbank has said that the bank is ready to replace the IMF as Ukraine's main creditor.

As reported by mass media, on 14 February 2012, Ukraine is scheduled to make its first repayment of the IMF loan in the amount of 580m dollars. This is the smallest installment of the four Ukraine has to pay to the IMF in 2012. In total, Ukraine should repay 3.5bn dollars of the loan body (without interest) to the IMF this year. Ukraine has to make the other payments to the IMF in May, August and September-October.

Ukraine plans to borrow 11bn dollars in 2012

The Ministry of Finance has published its programme for public debt management in 2012.

Under this programme, Ukraine has plans to sell Eurobonds to the amount of approximately 3.5bn dollars in 2012.

Also, this year the ministry hopes to attract 450m dollars from the World Bank.

On the domestic market, in 2012 the Ministry Of Finance plans to raise 7bn dollars through selling domestic government loan bonds with maturity from 6 months to 10 years.

Ukraine's foreign currency reserves continue to decline

At the end of January, Ukraine's gold and foreign currency reserves totaled 31.36bn dollars, which represents a 1.4% YTD decline.

Specifically, according to the National Bank of Ukraine, its reserves in foreign currency decreased by 678.98m dollars to 29.712bn dollars, special drawing rights increased from 17.91m dollars to 101.7m dollars, assets in gold grew by 164.88m dollars to 1.55bn dollars.

The growth of gold assets was due to appreciation of gold, the value of which went up by 13% in January according to the official NBU rate.

Last year Ukraine's gold and foreign currency reserves reduced by nearly 3bn dollars.

**National Bank of
Ukraine slowing down
money emission**

Ukraine is stepping down the rate of the economy monetization.

Particularly, according to a report published by the National Bank of Ukraine (NBU), this year the volume of hryvnia banknotes and coins has grown by 9.48bn hryvnias (1.19bn dollars) (+4.7%) up to 209.5bn hryvnias (26.2bn dollars). This amount is three times lower than the amount of money issued during the respective period of 2010 (nearly 29.5bn hryvnias or 3.7bn dollars).

The market participants are expecting a further slowdown in cash growth, particularly thanks to wider use of payment cards.

**General Prosecutor's
Office: It's cheaper to
take over business in
Ukraine than to buy it**

The interagency commission for combating corporate raiding held a meeting on 9 February 2012.

Deputy Prosecutor-General of Ukraine **Viktor Zanzifirov** said that "today it's easier to take over a business in our country than to buy it."

At the same time, he said that one of the main reasons why it is hard to ensure full protection of businesses from hostile takeovers is the absence of any definitions of the term "raiding." Also, it is difficult to fight against raiding because such hostile takeovers go unnoticed by owners and employees.

Experts interviewed by the Gorshenin Institute believe that with the arrival of the new authorities, raider conflicts have become nonpublic, and raiders in their attacks use the law-enforcement agencies, not courts, as it used to be.

"Before **Viktor Yanukovych** was elected president, they used the following tactics: 99% of major raider attacks were performed by court decisions. After the presidential election, the pressure comes through the law-enforcement agencies," board chairman of a non-governmental organization named the Anti-Raider Movement **Yuriy Kravets** said. As the director of the Anti-Raider Union of Entrepreneurs of Ukraine **Andriy Semididko** explained, raiders use the following scheme in takeovers: as a rule, a criminal case is opened against a company's owner, who is then summoned by a law-enforcement agency. The agency offers to close the criminal case, but in exchange the owner should transfer the equity interest rights in the company to a particular person.

**Owner of major grain
trader denies sale of
company, reports
pressure attempts**

Owner of Nibulon grain trading company Oleksiy Vadaturskiy denies reports on the company's sale.

On 7 February 2012, internet portal COMMENTS.UA reported that Vadaturskiy, the founder and owner of Ukraine's largest grain trader Nibulon, sold a 50% stake in his company to a company owned by the Party of Regions MP **Yuriy Ivanyushchenko**.

"The last straw was the arrest of the deputy director-general [this position is occupied by Vadaturskiy's only son]. However, he was released almost right after the transfer of the shares," the website said in a statement.

On the same day, according to internet portal DELO.UA, Vadaturskiy denied the reports about the sale of his business. He also denied rumors about his son's arrest.

At the same time, Vadaturskiy expressed the opinion that the false information

circulating in the media is a part of a well-thought plan. "I'm receiving text messages containing threats against me. I believe these are the links of the same chain."

Earlier, the media reported about attempts to take over Nibulon by people closely related to the present authorities, and Ivanyushchenko was among the people mentioned in the reports.

According to experts and mass media, Ivanyushchenko represents business interests of the family of President **Viktor Yanukovych**. His name is associated with the notorious case of KhlInvestBud company, which received the largest quotas for grain exports in 2010-2011.

Raiders attack plant owned by opposition members in Ukraine's Odessa

The Prosecutor's Office launched a criminal case against opposition figures in Odessa.

Representatives of the Prosecutor's Office in Odessa told journalists at a press conference on 10 February 2012 that the former director of the Stalkanat plant, **Leonid Shemyakin**, and its current owners **Serhiy Fayermark** and **Volodymyr Nemyrovskyy** will be brought to criminal responsibility over charges of illegal changing the plant's ownership in 2001-02. The representatives of the Prosecutor's Office also said that Shemyakin had already made a confession and was cooperating with the investigators.

Nevertheless, Shemyakin told that he was involved in the investigation in this high-profile case only as a witness, not as a suspect: "I gave testimony as a witness in the case of the fraudulent bankruptcy of the plant".

Our Ukraine-People's Self-Defence parliamentary faction MP **Hennadiy Moskal** said that Shemyakin signed the confession under pressure.

It was reported that on 7 February 2012 law-enforcement agencies searched Fayermark's and Nemyrovskyy's apartments while Shemyakin was arrested. Later he was released on a written pledge not to abscond.

On 30 January 2012 members of the Sokil special police unit and Odessa policemen attempted to enter the plant, but the plant employees did not let them do this.

Both Fayermark and Nemyrovskyy chair the Odessa regional organization of the Front for Change political party .

According to Odessa local media reports, Fayermark and Nemyrovskyy have left Ukraine.

"This decision was approved by the Front for Change party leader **Arseniy Yatsenyuk**", media reports quote the Front for Change faction leader in the Odessa regional council, **Oleksandr Ostapenko**, as saying. "Unfortunately, it is not possible to use legal means to fight law enforcers, whose actions are illegal and are prompted by sordid motives", Ostapenko said.

The Front for Change party sees the law-enforcers' actions as an attempt of a corporate raid on the company where one of the motives is the company's management's open support to the Front for Change party.

The management of the Stalkanat plant first spoke of attempts of corporate raids in early August 2011.

Russia's Black Sea Fleet to add six submarines by 2017

Russia plans to strengthen its Black Sea Fleet.

According to the Commander of the Black Sea Fleet, Rear-Admiral **Aleksandr Fedotenkov**, the effective forces of the Russian Black Sea Fleet are expected to include six new diesel-electric submarines (Project 636) by 2017. Currently, the Black Sea Fleet has only one operational submarine – Alrosa (Project 877).

According to a survey conducted by the Gorshenin Institute in April 2010, one half of Ukraine's population (56.4%) views as positive the stay of Russia's Black Sea Fleet on the territory of Ukraine until 2047.

Ukrainian nuclear engineers working at Iranian nuclear power plant

Ukrainian atomic power engineers are working in Iran.

"This cooperation hasn't started today. It began in the Soviet Union era," Iranian Ambassador to Ukraine **Akbar Qasemi** said. "So, now dozens of Ukrainian scientists and experts in the field of nuclear energy are very fruitfully cooperating with our scientists at the Bushehr nuclear power plant."

The Ukrainian Constitutional Court's ruling banning disclosure of any information about public officials breaches human rights and compromises the government

This opinion was voiced by members of parliament in response to the opinion poll conducted by the Gorshenin Institute. The poll asked respondents to comment on the ruling by the Constitutional Court on 20 January 2012 regarding the law of Ukraine "On Access to Public Information", by which the court banned disseminating any information on Ukrainian officials without their approval.

Opposition Our Ukraine-People's Self-Defence Bloc MP and leader of Civil Position Party Anatoliy Hrytsenko has said that the Constitutional Court would have never approved a ruling like that having no government's consent to do so.

"I do not think that this ruling by the Constitutional Court, as well as any other ruling, could have appeared if there had been no blessing from the Presidential Administration. And you may elaborate on this idea yourself using your imagination", - Hrytsenko said.

Our Ukraine-People's Self-Defence Bloc MP and leader of European Party of Ukraine Mykola Katerynychuk has said that the aforementioned ruling by the Constitutional Court violates human rights. He recalled that the law "On Access to Public Information" was approved in response to calls from the international community, which called for the elimination of censorship in Ukrainian media, as the law would improve the situation with freedom of speech.

"Naturally, the Party of Regions could not change the law to such an extent so that it becomes unrecognizable, so the decision was approved using the fully controlled Constitutional Court. This decision puts a big question mark whether freedom of speech exists in Ukraine or not, whether information could be freely disseminated in Ukraine and whether information is available to public. This is a direct violation of human rights in regard to access to information about those people who rule the country", - Katerynychuk said.

He also said that restricting access to information on relatives of civil servants will seriously cut the amount of public information on representatives of the incumbent government. "This decision protects officials as it hides all economic aspects associated with staying in office, as most of property is registered to relatives and close people. The government will ignore this ruling by the Constitutional Court: they will use any information related to common people, but there will be problems in regard to freedom of speech, information and journalists' work", - Katerynychuk said.

Yuliya Tymoshenko Bloc MP Serhiy Vlasenko has said that the government protected itself by means of this Constitutional Court's ruling.

"The incumbent government is afraid of journalists' investigations and high-profile scandals associated with the government since the time it was elected in 2010. People from the cabinet and the Presidential Administration do not want to be written about", - Vlasenko said.

Vlasenko also said that the Constitutional Court can approve decisions like this because its sessions are held behind closed doors. Vlasenko said that they use a legislative provision allowing to approve decisions in a written form, when parties do not actually take part in a litigation (the parties shall not give any verbal explanations to the court and the court's position can not be presented to public). According to Vlasenko, the Constitutional Court approved an absolute majority of recent decisions (90%) at closed sessions, which is why it is not possible to understand the court's position.

"The Constitutional Court approves decisions, which are not consistent with common logic, the legal frameworks and sometimes even common sense", Vlasenko said.

Vlasenko also said that practice of the European Court of Human Rights and the European law-enforcement experience demonstrate that a civil servant has to be significantly more transparent for society than a common citizen. He added that the issues of finance and property of a governmental official is a subject of very close attention from society in any

good country.

“I visited the USA as a member of the Ukrainian parliament's delegation and we familiarized ourselves with the US experience here: a declaration to be filled by a civil servant represents itself a long document where everything has to be included. You report not only on yourself but also on your family members, and every citizen has the right to request this document and to receive it, and this situation is absolutely normal, as an official has to be transparent to society. I personally supported the approach of a total declaring of everything, declaring not only income but also financial obligations and not only of civil servants themselves but also of members of their families, both those who live with them and those who do not; as we have plenty of officials who are as poor as a church mouse but they have very rich mothers-in-law, fathers-in-law, mothers, sisters and brothers who never had any job or worked in the public sector but became millionaires or even billionaires. We have to put an end to this. By approving a decision like this, the Constitutional Court helps this sort of officials to hide information from public, which is an immoral thing”, - Vlasenko said.

People's Party of Ukraine MP Oleh Zarubinsky has said that an access to public information is rather an ethic than a legal issue.

“I understand the ideology and philosophy behind the Constitutional Court's decision that human identity is still human identity. A man has the right for private life. Nevertheless, a different approach should be taken towards common people and those who are empowered to perform governmental functions”, - Zarubinsky said.

Zarubinsky also said that the Constitutional Court's ruling does not contradict the requirements of the corruption-fighting regulations. “It seems to me (however I am not a lawyer) that this ruling does not confront the provisions of the corruption-fighting legislation which has been approved recently and takes effect in 2012 concerning state officials. It also seems to me that some journalists' fears of not having an opportunity to obtain some kind of information about politicians and civil servants are exaggerated”, - Zarubinsky said.

“Yes, on the one hand we have examples when it appears that officials, including senior officials, own neither a car, nor an apartment, they do not have any property at all, but they are dressed in suits each worth an annual income of an average family. Yes, we do have officials of this sort. However, I am not one of those. Let them differentiate between those who act like this and those who do not, like I do. But on the other hand, is a family of a senior official obliged to come out and tell everyone private, confidential things?! I believe this is a moral, an ethic choice of every official: if somebody wants to take a senior position in the government, they should be ready to provide information that could be of any interest to any person absolutely voluntary, not only when obliged by the law to do so. I believe this is a moral, an ethic choice rather than a matter of legal practice”, - Zarubinsky said.

Zarubinsky also said that he does not share the opinion that the Constitutional Court's ruling will result in less number of publications about representatives of the government. “Is there anything in today's world that can be hidden?!”, - he asked.

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