

Gas Sector Reform Implementation Plan: 2 years after

Introduction

The Gas Sector Reform Implementation Plan (“the Plan”) was adopted on 25 March 2015 by the Ukrainian Government, as a precondition for further International Monetary Fund and World Bank involvement in Ukraine. It was agreed and signed by the Prime Minister, World Bank and the Energy Community Secretariat. Besides a new legislative and regulatory framework in the energy sector, the Plan consisted of reform measures in the areas of prices and social assistance, domestic gas production, unbundling of transmission and distribution system operators, transparency and metering. The Energy Community Secretariat was put in charge of monitoring the implementation of the Plan.

The Plan had focused on a short to a mid-term perspective of the gas reforms in Ukraine, and triggered significant changes of an old system envisaging a sustainable transitory path to the market oriented solutions in the future.

Despite some quick progress in the beginning, especially related to the legislative framework, over time the Plan had reached its limits as a tool to incentivize and steer gas sector reform. It served its purpose – to kick off the reforms (except in revision of existing licences for upstream activities), and, in some cases, to complete them. Ukraine is now at the crossroads where it has to move to real implementation. It is hard to expect that the Plan could bring much more added value in this respect. New instruments will have to be designed to motivate Ukraine to live up to its obligations from the Energy Community Treaty and apply its national legislation, which widely transposed the Energy Community gas acquis, but not fully implemented it.

However, the Secretariat raises the following concerns: are the reforms irreversible? Are the desired changes on the sustainable path of no-return? Will the Ukrainian institutions act lawfully and apply the provisions of the Gas Market law? Is there a force to fortify the trust Ukraine started to regain in the international community?

There is no definite answer to any of these questions and traces of trust and mistrust can be found in activities of the last two years in almost every single aspect of the Plan. The year 2017 will be decisive. It is high time for full implementation of the transposed legal framework.

Summary

During the last two years, Ukraine to a large extent followed up on the priorities envisaged in the Gas Reform Plan. In the *area of legislative and regulatory framework*, the adoption of the Natural Gas Market Law on 9 April 2015 was a major breakthrough that enabled Ukraine to move closer towards compliance with EU energy legislation – the Third Energy Package and its obligations under the Energy Community Treaty. The Gas Market law, which came into force on 1 October 2015, created the legal basis for a new market model based on principles of liberalization and competitiveness, ensuring equal access of third parties to the market, eligibility of consumers to choose a supplier and introducing a market-based approach for setting gas prices.

Following significant delay, Ukraine also adopted the Law on the National Commission for State Regulation in the Energy and Utilities of Ukraine (NEURC) on 22 September 2016.¹ The purpose of the law is to strengthen the independence of the regulator in the fields of energy and utilities and to extend its competences to the complete set of regulatory powers and objectives foreseen under the Third Energy Package. NEURC still has to live up to its newly gained competences and meet the deadlines in implementing provisions on the selection of commissioners and the rotation scheme. The Secretariat expects from a truly independent regulatory body to actively design its national market, even if this means opposing, if necessary, public pressure. Moreover, other elements informing regulatory independence such as disposing of an appropriate budget still seem to depend on decisions yet to be taken or implemented.

The vast majority of the legal acts necessary to implement the Natural Gas Market Law were adopted by the Cabinet of Ministers, the Ministry of Energy and Coal Industry and the National Energy and Utilities Regulatory Commission of Ukraine (NEURC). The Cabinet of Ministers under public service obligations raised gas prices to a market level and launched the subsidy reform to support vulnerable consumers. The bylaws linked to grid codes, contracts and stock reserves were further improved following the Energy Community Secretariat's assessment and comments, in order to ensure compliance with the Third Energy Package. The adoption of secondary legal acts by NEURC linked to compliance programmes and unbundling of transmission and storage system operators is still pending.

¹ The Law of Ukraine No.1540-19 'On the National Commission for State Regulation in the Energy and Utilities (NEURC)' adopted on 22 September 2016, effective since 26.11.2016, available at: <http://zakon2.rada.gov.ua/laws/show/1540-19>

Among the biggest challenge faced by Ukraine is the enforcement of the secondary legal acts. This particularly concerns the application of the transmission tariffs at all points and the application of the transmission code. No capacity allocation took place since the last version of the code was adopted. The balancing rules proved to be unsustainable and the operator of Ukraine's gas transmission system, Ukrtransgaz, is currently developing new balancing measures as part of the transmission code.

While the rules that allow gas consumers to switch suppliers have been adopted, they are yet to be applied in practice. It is estimated that incumbent market share in the household market is around 100% of total number of customers. This signifies that supplier switching is not taking place. The Secretariat has reason to believe that de facto eligibility in the retail market does not exist.

At present, the biggest obstacle towards successful gas market reform is the unbundling of transmission and distribution system operators. The significant delay exists as for now in the unbundling of natural gas transmission and storage activities of the state owned gas incumbent Naftogaz. Since the adoption in July 2016 by the Cabinet of Ministers of the restructuring plan on Naftogaz, limited progress has been achieved in drafting and submitting to Parliament the necessary legal amendments to ensure unbundling is implemented as per the approved Gas Market Law.

The Naftogaz Unbundling Plan sets out concrete steps for the company restructuring in line with the chosen ownership unbundling model to separate the natural gas transmission activities from natural gas storage.² The Plan foresees the establishment of two new entities in charge of transmission and storage operation: Main Gas Pipelines of Ukraine (MGU) and Underground Storage Facilities of Ukraine (UGS) to fall under the management of the Ministry of Energy and Coal Industry. A set of preparatory actions has been agreed to be put in place prior to the final decision on the ongoing cases with Gazprom at the Stockholm Arbitration Court. As for now, Main Gas Pipelines Company has been established on the basis of approved Charter and headed by an acting chief. However, the company exists so far only on paper. The existing challenge is the efficient transfer of assets and staff to the Main Gas Pipelines and setting up necessary legal basis for the effective and independent separation between the public bodies in charge of supervision and management of the state-owned transmission and supply entities pursuant to Third Energy Package criteria.

Distribution system operators, unbundled legally from supply in 2015, have submitted compliance programmes to NEURC for its assessment. The actual status of unbundling is yet to be verified against Third Package requirements. At present, the wholesale and retail market indicators do not bear the evidence that competition is at a satisfactory level.

² Resolution of the Cabinet of Ministers No.800 'On amendments to the restructuring Plan of the PJSC NAK Naftogaz with the purpose of unbundling of the transmission and storage (pumping, screening) of the natural gas ' adopted on 9 November 2016, available at: <http://zakon0.rada.gov.ua/laws/show/800-2016-n>

More detailed assessment of the Plan's progress are under Sector review and in the annexed Table stipulating concrete actions and comments.

I. Sector overview

1. Regulatory framework in the gas sector:

1.1. Market opening and price regulation

The Government of Ukraine signed a Memorandum with IMF on increase of natural gas prices to the market level for the purposes of ensuring the needs for households' customers and district heating companies. Within its special obligations, the Cabinet of Ministers adopted a Decree allowing gradual increase of the gas prices for the period of 1st October 2015 until 1st April 2017.³

The year of 2016 in Ukraine has been marked by a decrease of the natural gas imports from Russia to zero. This was made possible due to the increase of domestic production and reverse flows from central European markets. Within the last two years, the share of the private companies in the gas import to Ukraine raised to 26%, which is 2.6 times more than in year of 2015.⁴⁵⁶

So far, natural gas prices were raised gradually since 1 April 2015 and the last time on 1 May 2016.⁷

The 2017 draft Resolution of the Cabinet of Ministers on the imposition of public service obligations fails to comply with the comments provided by the Energy Community Secretariat and might severely jeopardize and compromise so far achieved positive results of the price reform.⁸ The Secretariat is currently preparing legal action.

³ Article 11 of the Law of Ukraine No 329-19 'On Natural Gas Market' adopted by the Verhovna Rada on 09.04.2015 in force since 01.10.2015 with latest amendments as of 01.11.2016, available at: <http://zakon5.rada.gov.ua/laws/show/329-19>

⁴ <http://www.naftogaz.com/www/3/nakweben.nsf/0/61AE185E57EB3CC4C22580BC004A655E?OpenDocument>

⁵ The Ukrainian Gas Transmission Operator Ukrtransgaz has ensured the full access for European companies to the internal gas market of Ukraine in 2016, by concluding contract with Engie, TrailStone Energy LLC and DufEnergy Trading SA on transmission and storage of natural gas. As of January 2017, Engie and Trafigura commenced gas import to Ukrainian consumers through its subsidiaries.

⁶ <http://www.naftogaz.com/www/3/nakweben.nsf/0/61AE185E57EB3CC4C22580BC004A655E?OpenDocument>

⁷ <http://www.kmu.gov.ua/control/uk/cardnpd?docid=249595270>

⁸ Article 13 of the Decree of the Cabinet of Ministers No 758 'On approval of the imposition of special duties on natural gas market to ensure the general public interests in the natural gas market (relations in transition)' as from 23.12.2016 and valid until 1.04.2017 available at: <http://zakon0.rada.gov.ua/laws/show/758-2015-п>

After two years of the Plan, the Government is likely to adopt a non-compliant act with several legal uncertainties – inter alia - restricting participation in the public service obligation scheme of other wholesale suppliers (other than Naftogaz company) and independent retail suppliers (other than Oblgazes). In addition, a mechanism for setting regulated natural gas prices for supplies within the framework of public service obligations is not reviewed and discriminative pricing for some customers still exists.

1.2. Customer protection: Subsidies and social support

Following the increase in gas prices, the Government of Ukraine reformed the existing subvention system and introduced a Housing and Utilities Subsidy (HUS) program in line with the Plan. The HUS programme provides a financial state support in form of subsidies to vulnerable citizens.⁹ The subsidy scheme is based on the Law of Ukraine ‘On housing and utility services’, defining the Ministry of Social Policy responsible for the functioning of the HUS system and determining the level of subventions form the state budget to local budgets Budget Code of Ukraine.¹⁰

A positive tendency is marked by the extension of the duration of subsidies to 12 months and a simplification of administrative procedures for granting subsidies by reducing administrative burden as provided in the Decree of the Cabinet of Ministers No 106 in force as of May 2015.¹¹ In addition, the Decree limits the number of documents to be submitted, allows an electronic submission and increases the number of employees of structural units on social protection of regional and district state administrations.¹²

The adoption of the Law on the State Budget for 2017 envisaged an amount of 47 billion UAH (1.6 billion euro) to be allocated for subsidies in 2017, when in 2016 the amount was 40 UAH billion.¹³ Such increase in subsidies also requires a decrease in the social consumption norms, which should be based on the actual consumption level. With this, in April 2016, the Cabinet of Ministers lowered the gas social norm for gas consumption based on the

The Decree No 315 as of 27 April 2016 increased the upstream prices for gas producers from 1590 UAH for thousand m3 and to 4849 UAH/thousand m3 , without including the value added tax and the transportation tariff. And respectively pursuant to the Decree of the Cabinet of Ministers No 758 from 1 May 2016 until 31 March 2017 (including) the retail natural gas price for household customers constitutes 6.879 UAH/m3.

⁹ Ministry of Social Policy official website available at: http://www.mlsp.gov.ua/labour/control/uk/publish/article?art_id=193627&cat_id=107177

¹⁰ Law of Ukraine No1801-19 ‘On approval of the State Budget of Ukraine for the year 2017’ adopted on 21.12.2016, available at: <http://zakon2.rada.gov.ua/laws/show/1875-15>

¹¹ The Decree of the Cabinet of Ministers No 106 ‘On improvement of the issuing procedure of household subsidies’ as of 28 February 2015 <http://zakon4.rada.gov.ua/laws/show/106-2015-%D0%BF>

¹² The Decree of the Cabinet of Ministers No 106 ‘On improvement of the issuing procedure of household subsidies’ as of 28 February 2015

¹³ Annex 3 to the State Budget of Ukraine for 2017 - <http://zakon5.rada.gov.ua/rada/show/1801-19>

calculation of the actual amounts of gas and heating consumption.^{14 15} These measures will stimulate citizens to save energy and introduce incentives for energy efficiency. Respectively, the amount of unused subsidies, which is the difference between the amount of the subsidy and the actual value of consumed services by the subsidy recipient, is returned to the state budget.¹⁶ One of the further plans is the monetisation of subsidies, which is subject to a decision adopted by the Cabinet of Ministers in conformity with the IMF-Ukraine Memorandum.

Overall, the reforms on Housing and utilities subsidy program are advanced, although some concerns regarding the disadvantages of the current subsidy system exist. To address current issues, a revision of subsidies calculation formula and continuous decrease in social consumption norms should take place in order to improve better targeting. Settlements of subsidies should incentivize households to conserve services (in particular consumption of gas and heat). The further monetization of subsidies to promote energy saving measures has to be taken into account.

1.3.Price information

The Natural Gas Market Law and the NEURC Law contain provisions that consumers shall obtain relevant information on gas prices and social gas consumption norms. Thus, the gas prices information and information on HUS programme is publicly available and easily accessible on the official website of the NEURC, Ministry of Energy and Coal Industry, Ministry of Social Policy and other respective governmental websites.¹⁷

2. Legislation and regulatory framework

2.1. Natural Gas Market reform

The adoption of the Law on Natural Gas Market on 9 April 2015 has been in line with the set deadline of the Plan.¹⁸ Amendments since introduced to the present law, create equal conditions for the natural gas suppliers by abolishing the volume of the mandatory gas stock reserves in Ukrainian storage

¹⁴ Decree of the Cabinet of Ministers of Ukraine No 51 adopted on 6.02.2017 'On Amendments to the Decree of the Cabinet of Ministers No 409 On the establishment of social standards in the sphere of housing and utilities services as of 6.08.2014' introduces social norms for individual heating: from 7.0 to 5.5 m³ per m² of the heating area and reduced the consumption norms for centralized district heating from 0.0548 Gcal for m²/heating month to 0.0431 Gcal for a m²/heating month available at: <http://www.kmu.gov.ua/control/uk/cardnpd?docid=249717533>

¹⁵ Decree of the Cabinet of Ministers of Ukraine No 317 as of 27 April 2016

¹⁶ Decree of the Cabinet of Ministers No 534 'On certain matters of the subsidies intended for the reimbursement of costs for services of individual heating' adopted on 23.06.2016 available at: <http://www.kmu.gov.ua/control/uk/cardnpd?docid=249263015>

¹⁷ Part 3 of paragraph 1 of Article 13 of the Natural Gas Market Law adopted on 09.04.2015 and subparagraph 24 of paragraph 1 of Article 17 of the Law of Ukraine No.1540-19 'On the National Commission for State Regulation in the Energy and Utilities (NEURC)' adopted on 22 September 2016, effective since 26.11.2016

¹⁸ The Law of Ukraine No 329-19 'On Natural Gas Market' adopted by the Verhovna Rada on 09.04.2015 in force since 01.10.2015 with latest amendments as of 01.11.2016, available at: <http://zakon5.rada.gov.ua/laws/show/329-19>

for all suppliers.^{19,20} The right of a consumer to freely choose and switch a supplier is legally guaranteed under Article 13 of the Natural Gas Market Law, although no switching has taken place in practice. The Secretariat has received complaints and is following up on them in the context of infringement procedures.

On September 2016, the new Law on the National Regulatory Commission (NEURC) has been adopted after significant delay. The Law strengthens the independence of the NEURC and increases its regulatory functions to meet the objectives foreseen under the Third Energy Package.²¹ However, in practice, the deadline for the formation of the selection committee for the commissioners has passed and the implementation of the rotation scheme was announced, but is not yet in place.

With the view of ensuring the security and reliability of supply during the heating season, the Verhovna Rada of Ukraine adopted legislation on debt restructuring of district heating companies and heat-generating companies. The Law enables unblocking more than 100 accounts of companies and renew their work to ensure reliability of supplies. Implementation of this law will promote improvement for financial conditions of the companies related to heat power, water supply and sewage and preventing their bankruptcy.²²

2.2. Market liberalization

No amendments to the current legislation were introduced to create the necessary preconditions for the unbundling of the gas transmission activity in line with the 2015 Natural Gas Market Law. Instead, the Cabinet of Ministers adopted a new version of the Naftogaz Charter, which will be effective from 1st April 2017. The main distinction from the previous Charter consists in limiting the decision-making power of Naftogaz and obligatory participation of the heads of company's subsidiaries in its executive board.²³ Evidently, this does not suffice for unbundling.

A step forward has been made in the adoption of secondary legislation area of third party access. The NEURC adopted the Natural Gas Supply Rules, Gas Transmission and Distribution System Codes with a subsequent approval of the tariff methodologies.²⁴ In addition, the Gas Storage Code has been

¹⁹ The Law of Ukraine No 1541 amending the 'Law of Ukraine on the Natural Gas Market' adopted on 22.09.2016 available at: <http://zakon3.rada.gov.ua/laws/show/1541-19/paran2#n2>

²⁰ The Resolution of the Cabinet of Ministers No 860 'On establishing the amount of the natural gas stock reserves' adopted on 16.11.2016 <http://zakon3.rada.gov.ua/laws/show/1541-19/paran2#n2>

²¹ The Law on the National Commission for State Regulation in the Energy and Utilities (NEURC) adopted on 22 September 2016, available at:

<http://zakon2.rada.gov.ua/laws/show/1540-19>

²² Law of Ukraine No 1730-19 'On measures aimed at debt settlement heating and heat-generating companies and centralized water supply companies for consumed energy', adopted on 3 November 2016, available at: <http://zakon0.rada.gov.ua/laws/show/1730-19>

²³ Resolution of the Cabinet of Ministers No.1044 'On matters related to the Public Joint Stock Company 'NAK Naftogaz'', adopted on 14.12.2016 (effective since 31.12.2016) <http://zakon5.rada.gov.ua/laws/show/1044-2016-%D0%BF/page>

²⁴ NEURC Resolution No. 3054 'On approval of Tariff Methodology for connection to the Gas Transmission and Gas Distribution Systems' adopted on 24.12.2015 (effective since 08.04.2016), available at: <http://www.nerc.gov.ua/index.php?id=19652>

adopted imposing regulated access for third parties.²⁵ A particular concern exist on the application of the transmission tariffs at all points and the application of the transmission code. No capacity allocation took place since the last version of the code was adopted. The currently developing balancing criteria as part of the transmission code are expected to improve compliance with the Third Package.

On 16 February 2017, the NEURC has adopted a Decision on approval of licensing conditions for economic activity on the natural gas market covering transmission, storage, distribution and supply of the natural gas promoting the entry of new gas market players and increasing transparency in licensing conditions.²⁶

Some positive attempts in legislation drafting to bring the existing legislation in conformity with the requirements of the Natural Gas Market Law exist, notwithstanding the remaining draft legislation which has to be adopted to remove legal uncertainties in a list of national legislation (Law on Oil and Gas, Law on Pipeline Transport, etc.)²⁷. Moreover, the draft amendments also intend to improve the regulatory framework in line with the Natural Gas Market Law by prohibiting the usage of the state-owned gas distribution system on free of charge basis.²⁸

3. Gas Production

3.1. Fiscal regime

The recent amendments introduced to the Tax Code of Ukraine gradually decreased the royalty rates for both state and private companies engaged in the natural gas extraction from 70% to 29%. Such step will encourage the domestic natural gas production decreasing dependency on imports and

NEURC Resolution No.1953 'On amendments to the Gas Distribution System Code' adopted on 7 November 2016 (entered into force on 17 March 2017), available at: <http://www.nerc.gov.ua/index.php?id=23012>

NEURC Resolution No. 1980 adopted on 10 November 2016 (entered into force on 19 January 2017), available at: https://ukurier.gov.ua/media/documents/2017/01/18/2017_01_19_1980nkre.pdf

²⁵ NEURC Resolution No.2495 'On approval of the Gas Storage Code' adopted on 30.09.2015, effective since 01.12.2015, available at: <http://www.nerc.gov.ua/?id=18035>

²⁶ NEURC Decision "On approval of licensing conditions for economic activity on the natural gas market covering transmission, storage, distribution and supply of the natural gas" adopted on 16.02.2017, available at: <http://www.nerc.gov.ua/?id=23799>

²⁷ The Draft Law of Ukraine No.5289 'On certain amendments to the bring the laws of Ukraine in conformity with the Law on the Natural Gas Market' registered on 19.10.2016, available at: http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=60296

²⁸ Draft Law of Ukraine No. 5558 'On amendments to certain laws of Ukraine (ensuring the usage of the Gas Distribution System)' registered at Verhovna Rada on 20.12.2016, available at: http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=60757

enhancing competition among private and state companies.²⁹ As for now, the domestic gas production in Ukraine slightly increased comparing to the year of 2015.^{30 31}

The legislative reform goes beyond the Gas Reform Implementation Plan and introduces an allocation of the royalty shares on the usage of sub-soil for oil, gas and gas condensate to the local budgets promoting social-economic growth of regions, on the territory of which the oil, natural gas and gas condensate extraction is conducted.³²

3.2. Enforcement and compliance of existing licenses in gas extraction industry

The adoption of the new Sub-soil code has been delayed and no changes occurred to the existing legislation in issuing special licenses for the gas extraction companies, including transparency in the auction procedures in order to attract more private investment in the domestic gas production sector. No steps have been taken in the set up objective to sell 5% of state-owned gas extraction special permits through auctions and conduction of independent audits of gas production companies.

4. Unbundling of the Gas Transmission and Distribution Operators

4.1. Unbundling of the Gas Transmission operator

The Law of Ukraine on the Natural Gas Market transposes the unbundling provisions of the Directive 2009/73/EC that requires natural gas transmission operators to be independent and separated from the production and supply activities. Following a significant delay, the Naftogaz Unbundling Plan was submitted to the Energy Community Secretariat and subsequently adopted by the Cabinet of Ministers on 1 July 2016.³³

²⁹ The paragraph 65 of the Law of Ukraine No. 909-19 'On amendments to the Tax Code of Ukraine and laws of Ukraine to ensure the balance of budget revenues in 2016' adopted on 24 December 2015, provides that from 1 January 2017 the royalty rates for natural gas extraction (from wells below 5 000 m) shall decrease from 70% to 29% . The present Law in paragraph 83(6) also envisaged a temporary application of royalty rates for natural gas extraction (from wells below 5 000 m) as follows: from 1 January 2016 until the 1 April 2016 the rate of 70%, and from 1 April 2016 until 31 December 2016 - 50%.

³⁰ The registered on November 2016 Draft Law No 5459 and the Draft Law No 5459-1 amending the Tax Code of Ukraine envisaged an introduction of the royalty rate of 12% for gas production from new wells , although the proposed law has found little support in the Verhovna Rada of Ukraine, available at: http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=60594

³¹ <http://www.naftogaz.com/www/3/nakweben.nsf/0/1083208DB4E3F04CC22580BC0049FE1C?OpenDocument>

³² Draft Law No. 3038 'On allocation of the roalty shares' envisaged a share of 2% to be paid to the local budget, 1.5% to the district and 1.5 % to regional budgets and the respective 95% - to the State Budget. The Draft Law was adopted on the 20.12.2016 by Verhovna Rada, available at: http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_2?pf3516=3038&skl=9

³³ The draft Naftogaz Unbundling Plan has been submitted to the Energy Community Secretariat on 16 February 2016 despite the deadline of April-October 2015 set in the Gas Market Implementation Plan adopted on 25 March 2015.

<http://zakon0.rada.gov.ua/laws/show/496-2016-п/paran10#n10>

The Action Plan foresees the creation of two new entities to operate the transmission and storage systems – Main Gas Pipelines of Ukraine and Underground Gas Storage Facilities of Ukraine, 100% owned by the state and managed by the Ministry of Energy and Coal Industry. The Ministry of Economic Development and Trade will retain management of gas production and supply operations of Naftogaz. The Plan acknowledges the sensitiveness of the ongoing cases with Gazprom at the Stockholm Arbitrage Court as certain unbundling actions could jeopardise the position of Naftogaz. According to the Action Plan, however, all preparatory activities – being legal, technical or organisational – have to be completed before the final decision of the Court, in order to ensure a smooth transfer of assets from Ukrtransgaz to the newly established independent transmission system operator within 30 days of the Court’s decision (foreseen in June 2017). Opposition by Naftogaz against such transfer is not helpful.

The main challenge has been to define an efficient way to transfer the transmission and storage assets and staff, and put in place the necessary legal framework according to which the transfer can take place. With the support of the Secretariat, the Government working group for unbundling has drawn up a preliminary list of assets to be transferred to MGU. The working group is yet to accept the final version of the action plan for the transfer of the assets from Ukrtransgaz/Naftogaz to MGU to be submitted to the Council of Ministers.

4.2. Unbundling of the Gas Distribution operators

The Law of the Natural Gas Market requires unbundling of storage, LNG terminal and distribution system operators if they are part of the vertically integrated undertaking and allows an exemption for companies with less than 100,000 customers. So far, 42 licensed distribution system operators are legally unbundled, although the functional unbundling is not in place. Actual status of unbundling is yet to be verified against Third Package requirements.

5. Transparency and metering

The Draft Law on commercial metering No 4901 adopted in the first reading in October 2016 envisages installation of the building-level metering for heating and water supply within the following period: for non-residential buildings – before 1 October 2017 and for residential buildings – before 1

October 2018.³⁴ Such measures will enable all the settlements for housing and utilities services be made in line with the indicators of the commercial metering and therefore will ensure the rational usage of water and heating.³⁵

In accordance with the Law of Ukraine ‘On commercial metering of the natural gas’ the natural gas for households residing in apartments and private houses shall be supplied on the basis of the condition of availability of commercial metering device.³⁶ The companies performing natural gas distribution on the assigned territory shall ensure the installation of gas metering devices: for water heating and cooking – before 1 January 2016 and for cooking solely- before 1 January 2016.³⁷

In addition, the registered draft Law No. 5722 regulates the procedure of the natural gas metering devices establishment for households. The draft law addresses the existing issue in the practice of Gas Distribution Operators, which establish individual gas metering devices instead of building gas metering devices. This is due to the gap in the current legislation, which does not specify the exact type of metering device to be established.³⁸

As regards to transparency, the registered draft law of Ukraine ‘On Disclosure of Information in Extractive Industries’ was developed for the purpose of implementing Directives 2013/34/EC, 2013/50/EC and 2007/14/EC of the European Parliament and of the Council by increasing transparency in extractive industries. The draft law would enable accessibility to full and objective information on the payment of companies conducting extraction activities. Unfortunately, the Law was not supported in the Verhovna Rada on 21 February 2017 and was rejected.³⁹

Annex: Table with deadlines for the Gas Market Implementation Plan

Area 1. Prices and social assistance Program

1.1. Gas prices and social support

Deadline	Responsible body	Priority	Results
By April	Cabinet of	Adoption of a resolution on increase of gas prices for	Adopted, short delay

³⁴ The Draft Law of Ukraine No 4901 ‘On commercial metering of the housing and utilities services’ adopted in first reading by Verhovna Rada of Ukraine on 18.10.2016, available at: http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=59553

³⁵ <http://teplo.gov.ua/rozyasnennya-po-subsidiyam/56.html>

³⁶ Law of Ukraine No 3533-VI ‘On commercial metering of the natural gas’ as of 16.06.2011, amended respectively on 01.10.2015 available at: <http://zakon3.rada.gov.ua/laws/show/3533-17>

³⁷ <http://zakon0.rada.gov.ua/laws/show/203-2016-%D0%BF>

³⁸ The Draft Law of Ukraine No.5722 registered on 27.01.2017, available at: http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=61018

³⁹ Draft Law No 4840 ‘On disclosure of information in the extractive industries’ as from 17 June 2016, available at: http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=59455

2015	Ministers	households and district heating companies paid to gas companies that are at least 50% owned by the state, as per IMF Memorandum.	Decree of the Cabinet of Ministers No 758 'On approval of the imposition of special duties on natural gas market to ensure the general public interests in the natural gas market (relations in transition)' adopted on 01.10.2015
March 2015 - August 2015	Ministry of Social Policy	Develop a draft resolution of the Cabinet of Ministers to simplify application procedures for HUS programme to: <ol style="list-style-type: none"> (1) Extend duration of re-certification for HUS benefits to one year (i.e., change requirement to be re-certified from every six months to one year) to reduce administrative burden; (2) Simplify HUS eligibility rules to allow vulnerable households to apply for HUS benefits at any time not just during the heating season to smooth out hikes in the number of applications during heating season; (3) Reduce paperwork necessary to apply for HUS benefits (as related to household identification, eligibility, income verification, etc.); 	<p>Adopted, no delay</p> <p>The Decree of the Cabinet of Ministers No 106 'On improvement of the issuing procedure of household subsidies' as of 28 February 2015:</p> <ul style="list-style-type: none"> - simplifies the administrative procedure for issuing subsidies. - extends the duration of documents revision and re-certification procedure from every six month to one year, which reduces administrative burden. - Reduce the paperwork as the number of documents to be submitted for subsidies recipients was reduced to two – an application and declaration. An electronic submission of documents is also provided. <p>-extends the duration of households subsidies to 1 year, beyond the heating season;</p> <p>Adopted with a delay:</p> <p>The Decree of the Cabinets of Ministers No 319 'On amendments to certain Decrees of the Cabinet of Ministers' as of 27.04.2016.</p> <p>The Decree of the Cabinet of Ministers No 475 'On simplification of the appointment and provision of housing subsidies' as of 26 June 2015.</p>
March 2015 - August 2015	Ministry of social policy	Draft Cabinet of Ministers Resolution that is consistent with the "program for the protection of the vulnerable consumers" definition in Article 16 of the Gas Market Law and the current HUS programme to be approved by October 1, 2015	<p>Adopted with a delay</p> <p>The Decree of the Cabinets of Ministers No 319 'On amendments to certain Decrees of the Cabinet of Ministers' as of 27.04.2016</p>
April 2015 - March 2017	Ministry of finance Ministry of social policy	Allocate adequate budget resources to the Ministry of Social Policy for the administration and increased capacity of the HUS programme for 2015-2017 to allow for hiring additional personnel and building administrative capabilities to handle a large surge in	<p>Adopted with no delay,</p> <p>Annex 3 to the State Budget of Ukraine for 2017 provides for 47 billion of hryvnya of budget expenditures for the households subsidies.⁴⁰</p> <p>The Decree of the Cabinet of Ministers No 106 'On improvement of the issuing procedure of household subsidies' as of 28 February 2015 increases the</p>

⁴⁰ State Budget of Ukraine for 2017 - <http://zakon5.rada.gov.ua/rada/show/1801-19>

		applications; train employees in 756 local welfare offices on new program rules.	number of employees of structural units on social protection of regional and district state administrations. ⁴¹
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1.2. Prices information

April 2015 June 2017	- NEURC (by agreement) Ministry of social policy Ministry of Energy	Communicate price increases and changes in the HUS programme	Adopted with no delay Part 3 of paragraph 1 of Article 13 of the Natural Gas Market Law entails a provision that consumers shall obtain relevant information on gas prices; - Website Teplo.ua - Website of the NEURC - Website of Naftogaz.
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2. Area 2 – Legislative and Regulatory framework

2.1. Developing the legislative and regulatory framework for market reform

30 April 2015	Ministry of energy and coal	Develop and submit to the Parliament the Gas Market Law approved by the ECS that should include: (1) PSO, to be implemented by Cabinet of Ministers (CoM), including regulation of prices to households, district heating companies and off take price for gas companies at least 50% owned by the state for a period defined in the IMF Memorandum; (2)	Adopted no delay Law of Ukraine No. 329-19 ‘On the Natural Gas Market’ adopted on 09.04.2015 (effective since 1.10.2015)
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⁴¹ The Decree of the Cabinet of Ministers No 106 ‘On improvement of the issuing procedure of household subsidies’ as of 28 February 2015

		appropriate continuation of the mechanism for calculating the allocation of funds from gas supply to consumers similar to the Article 18 of the current in the Gas Market Law.	
April - May 2015	NEURC (by agreement)	Develop and submit to Rada the Law on Energy Market Regulation that includes a provision that Cabman could ask the Regulator for recommendations and explanations regarding gas prices	Adopted with delay Law No. 1540-VIII 'On the National Commission for the State Regulation in the Energy and Utilities (NEURC)' on 22 September 2016
August 2015	"Ministry of energy and coal NEURC (by agreement)"	Draft the secondary legislation to ensure regulation of gas prices to household consumers and district heating companies, and upstream prices for gas produced by the state-owned companies continues after the Gas Market Law enters into force (expected on October 1, 2015) until April 1, 2017	Adopted with short delay The Decree of the Cabinet of Ministers No. 758 adopted on 1 October 2015 (the PSO refers to upstream prices progress notified, majority of the acts adopted; general conformity with the Thrid Energy Package exists, with several non-compliances; the missing acts).

Continuously	Ministry of energy and coal	Guarantee the rights of consumers to freely choose gas suppliers; guarantee that no other legal measures will be adopted that would limit the rights of consumers to freely choose gas suppliers	Yes adopted, some complaints exist Article 13 of the Law of Ukraine ‘On Natural Gas Market’, Rules on gas supply adopted by the Regulation of NEURC as from 30.09.2015 No 2496 and the Standard Contract of the natural gas supply to household consumers as approved by the Regulation of NEURC No2500 as from 30.09.2015.
April - May 2015	NEURC (by agreement)	Develop and submit to Rada amendments to the Law on Commercial Metering of Natural Gas to complete installation of gas meters for households by April 1, 2017, finance these investment through distribution tariffs and introduce penalty for distribution companies in the event they fail to install meters to households by	Yes/No Draft legislation developed, but not adopted yet. Delay Draft Law No 5289 registered on 19.10.2016 introduces amendments to the Law of Ukraine ‘On commercial gas metering’ in the part of equipping the households living in residential building (apartments and private houses) with the gas metering devices until the 1 October 2017. ⁴² Draft Law No 5722 registered on 27.01.2017 entails an obligation for the Gas distribution companies within its assigned territory to equip household consumers with individual gas metering devices. In case if household consumer

⁴² The draft law of Ukraine No 5289 ‘On certain amendments to bring the laws of Ukraine in conformity with the Natural Gas Market Law’ registered at Verhovna Rada as of 19.10.2016, available at: http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=60296

		deadline	<p>decides to equip himself with the individual gas metering device, the Gas distribution company shall reimburse its costs.⁴³</p> <p>Current legislation does not specify which types of metering devices shall be installed. The Article 6 of the Law of Ukraine ‘On commercial gas metering’ 16.06.2011 as amended on 1.10.2015 provides that companies engaged in natural gas distribution in the territory, shall ensure installation of gas meters:</p> <p>a) for the population living in apartments and private homes in which gas is used:</p> <ul style="list-style-type: none"> - including heating - until 1 January 2012; - for water heating and cooking - until 1 January 2016; - only for cooking - until 1 January 2018.
April - May 2015	Ministry of regions	Develop and submit to Rada a draft Law on Metering of District Heat to require, among other things, completion of installation of building-level heat meters/ individual heat substations till April 2017 to ensure building-level consumption-based billing	<p>Adopted in first reading with delay</p> <p>The Draft Law on commercial metering No 4901 as of 06.07.2016 adopted in first reading.</p>

2.2. Adoption of laws and secondary legislation regarding market reform and liberalization

⁴³ The Draft Law No.5722 ‘On ensuring commercial metering of the natural gas’ registered in Verhovna Rada on 27.01.2017, available at: http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=61018

January - April 2016	Ministry of energy and coal	Draft and submit to Rada amendments to the following laws to ensure unbundling is implemented as per the approved gas Market Law: 1) The Law on Pipeline Transport 2) The Law on Oil and Gas 3) Law on the Management of State Property Assets	<p>Law developed but not adopted. Possible new draft legislation needed.</p> <ul style="list-style-type: none"> - Draft Law No.5289 The Draft Law of Ukraine No.5289 ‘On certain amendments to the bring the laws of Ukraine in conformity with the Law on the Natural Gas Market’ registered on 19.10.2016
April - July 2016	NEURC (by agreement) Ministry of energy and coal	Prepare and adopt secondary legislation to implement other provisions of the Rada approved Gas Market Law, including but not limited to: 1) Network codes 2) Entry / Exit tariff methodology	<p>Adopted no delays, but pending amendments are delayed</p> <ul style="list-style-type: none"> - NEURC Resolution No. 2493 ‘On approval of the Gas transmission system code’ adopted on 30.09.2015; - NEURC Resolution No. 2494 ‘On approval of the Gas Distribution system code’ adopted on 30.09.2015; - NEURC Resolution No.2495 ‘On approval of the Gas Storage Code’ adopted on 30.09.2015, effective since 01.12.2015; - NEURC Decision No 3054 as amended by NEURC Decision No 1418 on approval of methodology for payments to access the Gas Distribution and Gas Transmission systems⁴⁴
April - July 2015	Ministry of ecology State Geological Service	Review the Cabinet of Ministers Resolution on gas exploration and production license auctions (CMU Resolutions #594 dated 30 May 2011 and #615 dated 11 February 2011) according to international	<p>No progress</p>

⁴⁴ <http://zakon5.rada.gov.ua/laws/show/z0396-16>

		best practice to improve transparency of auctions to incentivize private investments in gas production	
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Area 3. Domestic Gas Production

3.1.Reform fiscal regime for gas production

May - June 2015	Ministry of Finance Ministry of energy and coal	Draft and submit to Verhovna Rada amendments to Taxation Code to rationalize royalty regime for all companies that are engaged in production gas, in order to improve competitiveness of Ukraine gas sector and attract investments.	<p>Adopted with delays</p> <ul style="list-style-type: none"> - The paragraph 65 of the Law of Ukraine No. 909-19 ‘On amendments to the Tax Code of Ukraine and laws of Ukraine to ensure the balance of budget revenues in 2016’ adopted on 24 December 2015, provides that from 1 January 2017 the royalty rates for natural gas extraction (from wells below 5 000 m) shall decrease from 70% to 29% . The present Law in paragraph 83(6) also envisaged a temporary application of royalty rates for natural gas extraction (from wells below 5 000 m) as follows: from 1 January 2016 until the 1 April 2016 the rate of 70%, and from 1 April 2016 until 31 December 2016 - 50%.⁴⁵ - The registered on November 2016 Draft Law No 5459 and the Draft Law No 5459-1 amending the Tax Code of Ukraine envisaged an introduction of the royalty rate of 12% for gas production from new wells , although the proposed law has found little support in the Verhovna Rada of Ukraine;⁴⁵ - Adopted Draft Law No. 3038 ‘On allocation of the roalty shares’ envisaged a share of 2% to be paid to the local budget, 1.5% to the district and 1.5 % to regional budgets and the respective 95% - to the State Budget. The Draft Law was adopted on the 20.12.2016 by Verhovna Rada.⁴⁶
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⁴⁵ http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=60594

⁴⁶ http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_2?pf3516=3038&skl=9

<p>May - June 2015</p>	<p>Ministry of Finance Ministry of energy and coal</p>	<p>Draft and submit to Rada amendments to Taxation Code to implement a new model of taxation of all companies engaged in oil and gas production based on international best practice to facilitate increase in domestic production, decrease needs for energy imports and eliminate discrimination between taxpayers</p>	<p>Adopted with delay</p> <p>Law of Ukraine N0 909-19 amending the Tax Code Following the entry into force on 1 January 2016 of Amendments to the Tax Code of Ukraine, the royalty rate for private companies engaged in natural gas extraction was decreased: from 55 to 29% (for the 5000 m) and from 28% to 14% for (+5000m). ⁴⁷</p>
<p>July 2015 - January 2016</p>	<p>Ministry of Ecology State Geology Service</p>	<p>Draft and submit to Rada the new Sub-Soil Code (to replace existing Sub-Soil Code #132/94) that will combine improved provisions of Oil and Gas Law, Coal-Bed Methane Law, State Geological Service Law and Mining Law, as well as regulation, by law, subsoil license awarding and license auction procedures, to allow licenses to be transferred, sold, and pledged.</p>	<p>No progress</p> <p>The Draft Code on Mineral resources is expected to be delivered in the second half of 2017 according to the information provided on the website of the State Public Service on Geology and Mineral Resources of Ukraine.</p>

3.2. Gas Production: Enforce performance and compliance of the existing licenses

⁴⁷ <http://zakon2.rada.gov.ua/laws/show/909-19/paran522#n522>

July 2015 April 2016	- Ministry of ecology State Service on Geology and Mineral Resources of Ukraine ⁴⁸	Complete complex audit of compliance of existing exploration and production licenses.	No progress Only planned inspections conducted by the State Service on Geology and Mineral Resources
April 2016 April 2017	- Ministry of ecology	Based on the results of the completed audit to revoke non-performing exploration and production licenses in accordance with the new Sub-Soil Code.	No progress But The Decree No 173 of the State Public Service on Geology and Mineral Resources of Ukraine as of 24.06.2015 have adopted a Plan for audit of the companies performing exploration at the III quarter of 2015. From July 2015, started 9 audit of the 'Nadra Ukraini' and its subsidiaries.in accordance with the special licenses on the exploration. As of October 2015 around 27 audits of the State company 'Ukrgezvodobyvannya' in accordance with the special permit on production. ⁴⁹
April 2016 July 2017	- Ministry of ecology	Conduct auctions of revoked licenses which is conducted according to new Subsoil Code (Mineral Resources Code)	No progress New Draft Code on Mineral resources is expected to be delivered in the second half of 2017 according to the information provided on the website of the State Public Service on Geology and Mineral Resources of Ukraine.
April 2015 January 2016	- Ministry of energy and coal Naftogaz	Undertake a status review of producing and non-producing licensees of gas companies that are at least 50% state-owned.	No progress
April - September 2015	Ministry of energy and coal NEURC (by agreement) Naftogaz	As per 1.1.2, instruct Naftogaz and its subsidiaries to prepare and submit to the Regulator and CabMin audited production costs and	No progress

⁴⁸ <http://geo.gov.ua/zvity-pro-vidstezhennya-rezultatyvnosti>

⁴⁹The Decree No 210 of the State Public Service on Geology and Mineral Resources of Ukraine as of 22.07.2015 adopted an audit plan for the activities of 'Nadra Ukrainy' pursuant to special permits for subsoil use on the compliance with the law on mineral resources. The 27 unscheduled audit of the 'Ukrgezvodobyvannya' in accordance with special permits for subsoil use have shown a list of national legislation violation, 05.10.2015 with the Decree of State Public Service on Geology and Mineral Resources of Ukraine the № 317 adopted a continuation of audit of the 'Ukrgezvodobyvannya'.

		long term development plans (audits to be done by reputable international firms)	
January - June 2016	Ministry of energy and coal Naftogaz State Geology Service	Develop licenses, release programme for state-owned enterprises to initiate staged release of at least 5% of non-performing licenses of gas producers that are at least 50% state-owned; ensure appropriate compensation.	No progress
July - August 2016	State Geology Service Ministry of ecology Naftogaz	Commence the first round of license auctions that includes released state-owned licenses as per 3.3.3	No progress

Area 4- Gas Transmission and Distribution

4.1. Unbundling of Transmission System Operator

April - October 2015	Ministry of energy and coal NEURC (by agreement) Antimonopoly Committee	Prepare and submit to ECS a proposed plan for effective unbundling, compliant with the Gas Market Law.	Submitted but with delay (16-02-2016)
April - October 2015	Ministry of energy and coal Minsitry of finance Naftogaz	Prepare and submit to ECS a proposed plan for effective unbundling, compliant with the Gas Market Law.	Adopted with delay Naftogaz Plan on Unbundling adopted on 1 July 2016 with delay
October 2015 - January 2016	Ministry of energy and coal	Develop a draft Cabinet of Ministers Resolution on selection of the unbundling model of the gas transmission system; as well as restructuring plan of Naftogaz as per Rada approved Gas market Law; the model is to be approved by January 1, 2016	Adopted with delay The ownership unbundling model approved on 1 July 2016 by the Decree of the Cabinet of Ministers No.496.
January-June 2016	Ministry of energy and coal State property fund Antimonopoly Committee	Create the corporate structure of the company in line with the adopted Unbundling Plan.	Adopted with delay , some pending Decree of the Cabinet of Ministers No.496 and Decree of Cabinet of Ministers No.800 – Plan of Naftogaz restructuring Cabinet of Ministers Resolution No. 837 of November 16,2016 – establishment of MGU

4.2. Unbundling of Distribution Companies

April 2015 - January 2016	NEURC	Implement effective DSO unbundling in line with the Gas Market Law; introduce obligatory independent IFRS audit of DSO's conducted by professional companies.	Limited progress; lack of information
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Area 5. Transparency and metering

5.1. Metering of the gas and district heating

"July 2015 - July 2016"	Ministry of Energy and Coal Industry	Ensure complete technical audit throughout complete gas chain of metering (upstream, transit (UTG) and distribution). Technical audit to be undertaken by reputable international firm to verify custody of gas and completeness and accuracy of metering provision as well as losses	No progress
April 2015	Ministry of regions Ministry of social policy Ministry of energy and Coal Industry	Revise consumption norms for unmetered households to better reflect actual gas consumption.	Yes, adopted with delay Decree of the Cabinet of Ministers No 317 as of 27 April 2016 lowered the social norm for gas consumption from
April 2015 - April 2017	NEURC (by agreement)	Install gas meters for all remaining unmetered households	Draft legislation developed, but not adopted yet. Delay Draft Law No 5289 registered on 19.10.2016 introduces amendments to the Law of Ukraine 'On commercial gas metering' in the part of equipping the households living in residential building (apartments and private houses) with the gas metering devices until the 1 October 2017. ⁵⁰ Draft Law No 5722 registered on 27.01.2017 entails an obligation for the Gas distribution companies within its assigned territory to equip household consumers with individual gas metering devices. In case if household consumer decides to equip himself with the individual gas

⁵⁰ The draft law of Ukraine No 5289 'On certain amendments to bring the laws of Ukraine in conformity with the Natural Gas Market Law' registered at Verhovna Rada as of 19.10.2016, available at: http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=60296

			metering device, the Gas distribution company shall reimburse its costs. ⁵¹
April 2015 - April 2017	Ministry of regions NEURC (by agreement)	Install building-level heat meters with temperature controls and/ or individual heat substations for all buildings connected to DH systems	Adopted in first reading with delay The Draft Law on commercial metering No 4901 as of 06.07.2016 adopted in first reading.
January 2016 - January 2017	NEURC (by agreement)	Conduct a comparative assessment of operational costs of the gas distribution companies.	Lack of information

5.2. Ownership and Transparency

January - May 2016	Ministry of energy and coal industry Ministry of economy	Establish a corporate governance framework for Naftogaz company, its subsidiaries and other state entities involved in the gas sector in accordance with OECD Corporate Governance Principles. To establish the framework and procedures for the ownership oversight over Naftogaz, its subsidiaries and other state entities involved in the gas sector based on recommendations of international consultants provided within the framework of "Urengoi-Pomary-Uzhgorod" pipeline.	Adopted, delay The Decree of the Cabinet of Ministers No. 496 entails a provision on establishment of OECD Corporate Governance Principles by 1 January 2017. ⁵²
April 2015 - December 2017	Antimonopoly Committee	Implement measures envisioned by existing laws to prevent, identify and stop violations of the legal framework that protects economic competition in gas markets during the reform and functioning of those markets; including unplanned on-site audits/ checks of the entities	In Progress - Legislative amendments adopted concerning compulsory publication of decisions of the Antimonopoly Committee of Ukraine (AMCU), increase of merger control threshold and simplification of merger control procedure;

⁵¹ The Draft Law No.5722 'On ensuring commercial metering of the natural gas' registered in Verhovna Rada on 27.01.2017, available at: http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=61018

⁵² <http://www.kmu.gov.ua/control/uk/cardnpd?docid=249240258>

		that operate in these markets	<ul style="list-style-type: none"> - Decision and recommendations of the AMCU are easily accessible on the official website; - Existing non-compliance with the Energy Community rules on State Aid.
January 2016 - January 2017	NEURC (by agreement)	Introduce a mechanism ensuring competition on the natural gas retail market by using information on the natural gas consumption taking into account the provisions on the protection of personal data.	Lack of info
by 30 October annually	Ministry of energy and coal industry	Prepare and publish Extractive Industries Transparency Initiative (EITI) reports	Yes progress, no delay <ul style="list-style-type: none"> - 2013 EITI Report published on November 2015; - 2014-2015 EITI Report published on January 2017 ⁵³
1 October 2015 - 1 April 2017	NEURC (by agreement) Ministry of energy and coal	To ensure the payment for the consumed natural gas through bank accounts with special regime of use	Yes, drafted no delay <p>Draft Resolution of Cabinet of Ministers (as of February 2017) on establishing the procedure of opening (closing) of current accounts with the special usage regime for the gas distribution services.</p>

⁵³ <https://eiti.org/ukraine#eiti-reports-and-other-key-documents>