

**APPROVED
Order of the
of the Antimonopoly Committee
of Ukraine
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Justice of Ukraine
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under № 61/13328**

**TYPICAL REQUIREMENTS
for the creation of a business association to obtain general exemption from the prior
permission of the Antimonopoly Committee of Ukraine for its establishment**

I. General provisions

1. These Typical requirements are developed in accordance with the provisions of Article 11 of the Law of Ukraine "On the Protection of Economic Competition" (№ 2210-14) (hereinafter - the Law) and establish the requirements for concerted actions in the form of the creation of an economic association, in case of compliance to which the concerted actions are not prohibited under Part 4 of Article 6 of the Law and do not require authorization from the bodies of the Antimonopoly Committee of Ukraine under Part 1 of Article 10 of the Law.

2. In these Typical requirements, the following terms are used with the following meanings:

The term "economic association" (hereinafter - the Association) is used as defined in Part 2 of Article 120 of the Commercial Code of Ukraine (436-15).

The term "concerted actions" is used as defined in Article 5 of the Law (2210-14).

The terms "control", "undertaking", "commodity market", and "goods" are used as defined in Article 1 of the Law (2210-14).

The terms "consumer" and "affected commodity market" are used as defined in Chapter 1 of the Typical requirements for concerted actions of undertakings for general exemption from prior authorization by the bodies of the Antimonopoly Committee of Ukraine for concerted actions of undertakings, approved by the order of the Antimonopoly Committee of Ukraine as of February 12, 2002, No. 27-p (z0239-02), registered at the Ministry of Justice of Ukraine on March 7, 2002, under No. 239/6527 (hereinafter - the "Typical requirements for concerted actions").

3. These Typical requirements apply in cases of concerted actions by undertakings in the form of creating an Association, which are not subject to exemption under the provisions of Chapter 3 of the Typical requirements for concerted actions (z0239-02).

II. Typical requirements

1. Concerted actions in the form of establishing an Association are permitted and do not require permission from the bodies of the Antimonopoly Committee of Ukraine, regardless of

the participants' market position in any relevant commodity market, their aggregate market share, total asset value, or total sales revenue of the undertakings involved, provided that all conditions concerning the production and management functions of the Association, membership and rights of participants, the prohibition of the Association engaging in entrepreneurial activities, and the principles of coordination of the participants' economic activities as outlined in clauses 3-7 of these Typical requirements are fully and simultaneously met.

2. These conditions must be explicitly stated in the founding documents of the Association.

3. Conditions regarding the objectives (subject matter), production, and management functions of the Association:

3.1. The Association is established solely as a contractual union and is not a business entity or enterprise.

3.2. The founders (participants) of the Association do not receive direct profits (dividends) from its declared activities.

3.3. Branches, representative offices, and other separate divisions of the Association are established without forming a legal entity.

3.4. The Association's activities are funded exclusively through:

One-time (entry) and periodic (membership) contributions from its participants;

Passive income in accordance with tax legislation;

Grants or subsidies from state or local budgets, state-targeted funds, or within charitable activities, including humanitarian or technical assistance provided to the Association under the terms of international agreements ratified by the Verkhovna Rada of Ukraine;

Income received from arbitration fees;

Revenue generated from organizing and conducting lectures, seminars, conferences, training sessions, and other educational events.

3.5. The purpose (subject matter) of the Association's activities is solely to coordinate the economic activities of its participants without the right to interfere in their production or commercial activities or make management decisions.

4. Conditions regarding membership and rights of Association participants:

4.1. The Association must be open for the admission (or withdrawal) of new participants.

4.2. Any undertaking, a legal entity that is established and operates in accordance with the laws of Ukraine, holds the appropriate licenses, and agrees to fulfill the obligations imposed by the founding documents of the Association, may become a participant. Membership in the Association is conducted on a non-discriminatory basis.

4.3. Membership in the Association shall be terminated only in connection with expulsion of a member of the Association or withdrawal from the Association.

4.4. A participant may be excluded from the Association if:

The participant ceases its activities;

The relevant authority revokes (annuls) the participant's license;

The participant fails to comply with the requirements set forth by the law or the founding documents of the Association.

5. Conditions to prevent entrepreneurial activities by the Association:

5.1. The Association does not engage in entrepreneurial activities independently, does not enter into any agreements (contracts) for joint entrepreneurial activities, does not establish, nor act as a co-founder of, undertakings, and does not exercise control or management.

5.2. The Association and its participants do not engage in any concerted actions that may restrict competition among the participants of the Association, particularly concerted actions related to:

The price at which goods are sold;

the quantity of goods produced;

standard formulas for calculating prices;

maintaining a fixed ratio between the prices of competing but not identical goods;

canceling discounts or setting uniform discounts;

credit agreements applied to buyers;

not lowering prices without prior notification to all other participants in the concerted actions;

buying excess quantities of goods offered at low prices (to maintain higher prices for the goods);

appointing a single sales agent who may manage the sales volume of goods for all participants in the concerted actions;

dividing customers between participants in the concerted actions;

dividing territories for purchasing or selling goods between participants in the concerted actions.

6. Conditions regarding the principles of coordinating the economic activities of Association participants:

6.1. The Association may coordinate the activities of its participants only on the following matters:

6.2. Technical information and education of the Association participants, specifically:

6.2.1. Clarifying the objectives of the Association by organizing lectures, discussions, seminars, conferences, media appearances, providing consultations, and engaging local and foreign expert consultants;

6.2.2. Disseminating scientific achievements, technical knowledge, and best practices regarding efficient technologies, cost-reduction measures, and environmentally friendly technologies;

6.2.3. Developing a system of professional training for its participants, regularly publishing information about the activities of the Association and its participants, industry problems, and foreign experience;

6.2.4. Organizing analytical work on management and marketing issues in the relevant markets and regularly distributing the results of this work among the participants of the Association;

6.2.5. Providing only methodological assistance to participants of the Association in eliminating shortcomings in their work or improving the qualifications of the employees of the Association's participants.

6.3. Provision of information:

6.3.1. The Association may collect data from its participants only on the following:

Production and production capacities;

Problems encountered by participants in their activities, with the aim of finding optimal solutions;

Information that may facilitate the establishment and development of cooperative relations with authorities and other organizations;

Technical information and education of Association participants, as provided for in subclauses 6.2.2 and 6.2.3 of clause 6.2 of this section.

6.3.2. The collected information is disseminated in an aggregated form no earlier than one month after collection. This information cannot be used against the participants, competitors, or consumers, nor can it contain data about significant terms of economic activities, prices, or commercial strategies, which could facilitate the coordination of competitive behavior or allow participants to predict the actions of other participants, competitors, or consumers.

6.4. Standardization activities:

The Association contributes to improving the efficiency of the sector (commodity market) exclusively by developing, discussing, and proposing objectively justified classifications, quality standards for goods, operational reliability, safety, and environmental standards.

6.5. Relations with government bodies and among participants:

6.5.1. Cooperation with government bodies is limited to matters of legal regulation concerning the general principles of functioning in the relevant commodity market;

6.5.2. Protecting the interests of Association participants in government bodies and other organizations, both in Ukraine and abroad;

6.5.3. Assisting in creating conditions for participants of the Association to enter foreign markets.

7. The Association does not allow the possibility of exerting decisive influence on the economic activities of the founders (participants) or coordinating their competitive behavior.

8. Associations that comply with clauses 3-6 of these Typical requirements are subject to the provisions of clause 3.2 of the Typical requirements for concerted practices (z0239-02).

9. In the event that undertakings engage in concerted actions by creating an Association whose founding documents do not meet these Typical requirements, such entities must obtain permission from the Antimonopoly Committee of Ukraine in accordance with the requirements of Article 10 of the Law (2210-14). Failure to obtain such permission entails the risk of potential

restriction of competition, which may constitute a violation of the legislation on the protection of economic competition, carrying the legal responsibility established by law.