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## **ANNEX XVII**

### REGULATORY APPROXIMATION

#### ARTICLE 1

##### Scope

1. This Annex provides for regulatory approximation between the Parties in the following sectors: Financial Services, Telecommunication Services, Postal and Courier Services, International Maritime Transport Services (hereinafter referred to as "sectors concerned by regulatory approximation").
2. The applicable provisions of European Union acts for the sectors concerned by regulatory approximation are contained respectively in Appendices XVII-2 to XVII-5, hereinafter referred to as "the Appendices".
3. Special rules on monitoring of the regulatory approximation process are contained in Appendix XVII-6.

## ARTICLE 2

### General principles and obligations on regulatory approximation

1. The applicable provisions of the acts referred to in Appendices XVII-2 to XVII-5 shall be binding upon the Parties in accordance with the horizontal adaptations and procedural rules laid down in Appendix XVII-1 and with the specific arrangements provided in Appendices XVII-2 to XVII-5. The parties shall ensure full and complete implementation of those provisions.<sup>1</sup>
  
2. The applicable provisions of the acts referred to in paragraph 1 shall be made part of Ukraine's internal legal order as follows:
  - (a) an act corresponding to a EU Regulation or Decision shall as such be made part of the internal legal order of Ukraine;
  - (b) an act corresponding to a EU Directive shall leave to the authorities of Ukraine the choice of form and method of implementation.
  
3. The Parties shall cooperate to ensure compliance with this Annex by Ukraine via:
  - periodic consultations, within the framework of the Trade Committee on the interpretation of the applicable provisions for the sectors concerned by regulatory approximation and other related areas covered by the Agreement;

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<sup>1</sup> The *acquis* applies in its entirety, including with the exceptions granted to EU Member States during their accession process.

- periodic discussions on institutional, capacity and resourcing issues relevant to the process of regulatory approximation;
  - consultations and exchange of information on existing and new legislation according to Title VII (Institutional, General and Final Provisions) of this Agreement.
4. The Parties shall inform each other of their respective authorities responsible for the sectors concerned by regulatory approximation.
5. Pursuant to the principle of sincere cooperation, the Parties shall, in full mutual respect, assist each other in carrying out the tasks which flow from this Annex and its Appendices. The Parties shall take any appropriate measure to ensure fulfilment of the obligations arising out of this Annex and its Appendices or resulting from the acts of the institutions of the European Union. The Parties shall facilitate the achievement of regulatory approximation and refrain from any measure which could jeopardise or delay the attainment of the objectives of this Agreement.

## ARTICLE 3

Regulatory approximation before full internal market treatment  
has been granted in a specific sector

1. In line with Articles 114, 124, 133 and 139 of Chapter 6 (Establishment, Trade in Services and Electronic Commerce) and Chapter 7 (Current Payments and Movement of Capital) of Title IV of this Agreement and Article 2(1) of this Annex, Ukraine shall transpose and continuously implement the existing EU legislation listed in the Appendices into its domestic legal system in accordance with Article 2(2) of this Annex.
2. In order to guarantee legal certainty, the EU Party will inform Ukraine and the Trade Committee regularly in writing on all new or amended sector-specific EU legislation.
3. The Trade Committee shall add within three months any new or amended EU legislative act to the Appendices. Once a new or amended EU legislative act has been added to the relevant Appendix, Ukraine shall transpose the legislation into its domestic legal system in accordance with Article 2(2) of this Annex. The Trade Committee shall also decide on an indicative period for the transposition of the act.
4. In case Ukraine expects to face particular difficulties in transposing an EU legislative act into its domestic legislation, it shall inform the EU and the Trade Committee immediately thereof. The Trade Committee may decide whether Ukraine under exceptional circumstances can be partly and temporarily exempted from its transposition obligations under Article 3(3) of this Annex.

5. Should the Trade Committee grant such derogation based on Article 3(4) of this Annex, Ukraine shall report regularly on the progress reached to transpose the relevant EU legislation.

#### ARTICLE 4

##### Assessment of the transposition and implementation of EU legislation and additional market access

1. The gradual transition of Ukraine to full enactment and complete and full implementation of all applicable provisions for the sectors concerned by regulatory approximation shall be subject to regular assessment and monitoring in accordance with Appendix XVII-6.
2. When Ukraine is satisfied that the conditions for completing the enactment and implementation, including adequate supervisory capacity and supervisory arrangements, of all applicable provisions in a given sector or sectors concerned by regulatory approximation have been fulfilled, it shall inform the European Union that a comprehensive assessment should be carried out in that sector. The assessments shall be carried out by the European Union in cooperation with Ukraine according to the principles set-out in Appendix XVII-6. Upon completion of this assessment the European Union shall propose a decision to the Trade Committee.

3. If the European Union determines, on the basis of the assessment referred to in paragraph 2, that the conditions are fulfilled, it shall inform the Trade Committee accordingly. The Trade Committee may decide thereafter that the Parties shall grant each other internal market treatment with respect to the services sector(s) concerned by regulatory approximation. Such treatment requires that with respect to the sector(s) there shall be:

- no restrictions on the freedom of establishment of juridical persons of the EU or Ukraine in the territory of either of them and that juridical persons formed in accordance with the law of an EU Member State or Ukraine and having their registered office, central administration or principal place of business within the territory of the Parties shall, for the purposes of this Agreement, be treated in the same way as juridical persons of EU Member States or Ukraine. This shall also apply to the setting up of agencies, branches or subsidiaries by juridical persons of the EU or Ukraine established in the territory of the other Party; and
- no restrictions on freedom to provide services by a juridical person within the territory of the other Party in respect of persons of EU Member States and Ukraine who are established in the EU or Ukraine.

4. For the purposes of this treatment all relevant definitions contained in Article 86 of Chapter 6 (Establishment, Trade in Services and Electronic Commerce) of Title IV of this Agreement shall apply.

5. Such treatment shall not apply, so far as any given Party is concerned, to activities which in that Party are connected, even occasionally, with the exercise of official authority.

6. For the sake of clarity, such treatment shall not include the right to take up and pursue activities as self-employed persons and to set up and manage undertakings and shall not prevent a Party from applying measures to regulate the entry of natural persons into, or their temporary stay in, its territory, including those measures necessary to protect the integrity of, and to ensure the orderly movement of natural persons across, its borders, provided that such measures are not applied in such a manner as to nullify or impair the benefits accruing to any Party under the terms of the Agreement.<sup>1</sup>

7. Paragraph 3 and measures taken in pursuance thereof shall not prejudice the applicability of provisions laid down by law, regulation or administrative action providing for special treatment for foreign nationals on grounds of public policy, public security or public health.

8. If the European Union determines that the conditions for granting internal market treatment are not fulfilled it shall report so to the Trade Committee. The European Union shall in accordance with Appendix XVII-6 recommend to Ukraine specific measures and determine an implementing period within which these improvements can reasonably be implemented. Before the end of that implementing period, a second and, if necessary, further assessments shall be made as to whether the recommended measures have effectively and satisfactorily been implemented.

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<sup>1</sup> The sole fact of requiring a visa for natural persons of certain countries and not for those of others shall not be regarded as nullifying or impairing benefits under the Agreement.

## ARTICLE 5

### Implementation by Ukraine of EU legislation after the granting of full internal market treatment in a specific sector

1. The European Union maintains its right to adopt new legislation or amend its existing legislation in the sectors concerned by regulatory approximation. The European Union shall notify Ukraine and the Trade Committee in writing in a timely manner of any new legally binding act in the sectors concerned by regulatory approximation once it has been adopted by the European Union.
2. The Trade Committee shall decide within three months to add a particular new or amended EU legislative act to the Appendices.
3. Once a new or amended EU legislative act has been added to the relevant Appendix, Ukraine shall transpose and implement the legislation into its domestic legal system in accordance with Article 2(1) and (2) of this Annex and in line within the following deadlines:
  - (a) A Regulation shall be implemented and enforced at the latest 3 months after the entry into force date provided for in Regulation, unless otherwise decided by the Trade Committee.
  - (b) Directives shall be implemented and enforced at the latest 3 months after the transposition period provided for in the Directive has expired, unless otherwise decided by the Trade Committee.

Ukraine shall ensure that at the end of the relevant time period, its legal order is fully compliant with the EU legal act to be implemented.

4. An assessment of the implementation will be carried out by the European Union in cooperation with Ukraine according to the principles set out in Appendix XVII-6.

5. In case Ukraine expects to face particular difficulties in transposing a new or amended EU legislative act into its domestic legislation, it shall inform the European Union and the Trade Committee immediately thereof. The Trade Committee may decide whether Ukraine can under exceptional circumstances temporarily and partly be exempted from its transposition obligations under Article 5(3) of this Annex as far as new or amended EU legislative acts are concerned. Should the Trade Committee grant such derogation, Ukraine shall report regularly on the progress reached to transpose the relevant EU legislation.

6. If notwithstanding the application of Article 5(2), (3) and (5) of this Annex, agreement cannot be reached on the addition of a new or amended EU legislative to the Appendices 3 months after its notification to the Trade Committee, the European Union may decide to suspend the granting of internal market treatment in the sector concerned. In the event that the Ukraine disagrees as to the proportionality of the suspension measures either of them may resort to dispute settlement in accordance with Article 7 of this Annex. These suspension measures shall be lifted immediately once the Trade Committee succeeds, regarding new or amended EU legislative acts, in updating the relevant Appendix or finds an otherwise mutually acceptable solution to the problem.

7. When Ukraine wishes to adopt new legislation or amend its existing legislation in the sectors concerned by regulatory approximation, the reporting and assessment requirements set out in Appendix XVII-6 shall apply.

## ARTICLE 6

### Interpretation

Insofar as the provisions of this Annex and the applicable provisions specified in the Appendices are identical in substance to corresponding rules of the Treaty on the Functioning of the European Union and to acts adopted pursuant thereto, those provisions shall, in their implementation and application, be interpreted in conformity with the relevant rulings of the Court of Justice of the European Union.

## ARTICLE 7

### Failure to comply with this Annex

1. If a Party is of the opinion that the other Party does not comply with the obligations set out in this Annex, it shall inform the other Party and the Trade Committee immediately and in writing thereof.

2. The Party concerned may submit to the other Party and the Trade Committee a formal request that the matter in dispute be resolved, and shall provide all relevant information required for a thorough examination of the situation.
3. Following such request, the rules and procedures of Chapter 14 (Dispute Settlement) of Title IV of this Agreement shall apply.
4. By way of derogation from Articles 312, 313 and 315(1) of Chapter 14 (Dispute Settlement) of Title IV of this Agreement, should it be found that a Party is not complying with an arbitration panel ruling and should there be exceptional circumstances requiring urgent action, the other Party shall be entitled to suspend obligations arising from Article 4(3) of this Annex immediately.
5. Such suspension measures shall be lifted immediately following full implementation of the arbitration report by the Party concerned.

## ARTICLE 8

### Safeguard measures – principles

1. If serious economic, societal or environmental difficulties of a sectoral or regional nature liable to persist have arisen or threaten to arise in either Party, the Party concerned may take appropriate safeguard measures with respect to the treatment granted pursuant to Article 4(3) of this Annex under the conditions and procedures laid down in Article 9(1) to (6) of this Annex.

2. Such safeguard measures shall be restricted with regard to their scope and duration to what is strictly necessary in order to remedy the situation in the sector or region concerned. Priority shall be given to such measures as will least disturb the functioning of this Agreement.

## ARTICLE 9

### Safeguard measures – procedures

1. If a Party is considering taking safeguard measures, it shall notify the other Party of its intention through the Trade Committee and shall provide all relevant information.
2. The Parties shall immediately enter into consultations in the Trade Committee with a view to finding a mutually acceptable solution. A Party shall abstain from taking safeguard measures until attempts have been made to find a mutually acceptable solution.
3. The Party concerned may not take safeguard measures until one month has elapsed after the date of notification under paragraph 1 of this Article, unless the consultation procedure under paragraph 2 of this Article has been concluded before the expiration of the said time limit. By derogation from this requirement, when exceptional circumstances requiring urgent action exclude prior examination, a Party may immediately apply the protective measures strictly necessary to remedy the situation.

4. The Party concerned shall without delay notify the Trade Committee of the safeguard measures taken and shall provide all relevant information.
5. Any safeguard measure shall be discontinued once the factors leading to the adoption of that measure cease to exist.
6. The safeguard measures taken shall be the subject of continuous consultations in the Trade Committee with a view to their abolition or to the limitation of their scope of application.
7. If, notwithstanding the application of paragraph 6, no mutually acceptable solution can be found within 6 months and the safeguard measure creates an imbalance between the rights and obligations of the Parties in the sector concerned, the Party concerned may take such proportionate rebalancing measures as strictly necessary to remedy the imbalance. Priority shall be given to such measures as will least disturb the functioning of the Chapter 6 (Establishment, Trade in Services and Electronic Commerce) of Title IV of this Agreement, this Annex and its Appendices.
8. The Party concerned shall without delay notify the Trade Committee of the rebalancing measures taken and shall provide all relevant information. Any such rebalancing measure shall be discontinued immediately once the factors leading to the adoption of that measure cease to exist.
9. Any rebalancing measure taken shall be the subject of continuous consultations in the Trade Committee with a view of their abolition or to the limitation of their scope of application.

## ARTICLE 10

### Specific provisions on Financial Services

1. With respect to financial services or a specific sector or sub-sector of financial services, nothing in this Agreement shall be construed as limiting the authority of the Parties to take all appropriate and immediate measures pursuant to Article 126 (Prudential carve-out) of Chapter 6 (Establishment, Trade in Services and Electronic Commerce) of Title IV of this Agreement after granting internal market treatment.
2. Any measure adopted pursuant to the provisions of paragraph 1 may not be subject to the dispute settlement procedure established under Chapter 14 (Dispute Settlement) of Title IV of this Agreement.

## ARTICLE 11

### Modification of this Annex

The Trade Committee may decide to modify the provisions of this Annex XVII in case it deems it necessary.

## HORIZONTAL ADAPTATIONS AND PROCEDURAL RULES

The provisions of the acts specified in Appendices XVII-2 to XVII-5 (hereinafter the "Appendices") shall be applicable in accordance with this Agreement and points 1 to 6 of this Appendix, unless otherwise provided in the Appendices. The specific adaptations necessary for individual acts are set out in the Appendices.

This Agreement shall be applicable in accordance with the procedural rules set out in points 7, 8 and 9 of this Appendix.

### 1. Introductory parts of the acts

The preambles of the acts specified are not adapted for the purposes of this Agreement. They are relevant to the extent necessary for the proper interpretation and application, within the framework of this Agreement, of the provisions contained in such acts.

## 2. Specific terminology of the acts

The following terms used by the acts specified in Annex XVII to this Agreement shall read as follows:

- (a) the term "Community" or "European Union" shall read "EU-Ukraine";
- (b) the terms "Community or European Union law ", "Community or European Union legislation", "Community or European Union instruments" and "EC Treaty" or "Treaty on the Functioning of the EU" shall read "EU-Ukraine Free Trade Agreement";
- (c) the term "Official Journal of the European Communities" or "Official Journal of the European Union" shall read "Official Journals of the Parties".

## 3. References to Member States

Whenever acts specified in Appendices XVII-2 to XVII-5 to this Agreement contain references to "Member State(s)", the references shall be understood to include, apart from the Member States of the European Union, also Ukraine.

#### 4. Reference to territories

Whenever the acts referred to contain references to the territory of the "Community", "European Union" or of the "common market" the references shall for the purposes of the Agreement be understood to be references to the territories of the Parties as defined in Article 483 of this Agreement.

#### 5. Reference to institutions

Whenever the acts referred to contain references to EU institutions, committees or other bodies, it is understood that Ukraine will not become a member of such institutions, committees or bodies.

#### 6. Rights and obligations

Rights conferred and obligations imposed upon the EU Member States or their public entities, undertakings or individuals in relation to each other, shall be understood to be conferred or imposed upon Contracting Parties, the latter also being understood, as the case may be, as their competent authorities, public entities, undertakings or individuals.

## 7. Cooperation and exchange of information

To facilitate the exercise of the relevant powers of the competent authorities of the Parties, such authorities shall upon request mutually exchange all information necessary for the proper functioning of this Agreement.

## 8. Reference to languages

The Parties shall be entitled to use, in the procedures established in the ambit of this Agreement, any official language of the institutions of the European Union or of Ukraine. If a language which is not an official language of the institutions of European Union is used in an official document, a translation into an official language of the institutions of the European Union shall be simultaneously submitted.

## 9. Entry into force and implementation of acts

Provisions on the entry into force or implementation of the applicable provisions referred to in the acts listed in the Annexes are not relevant for the purposes of the Agreement. The time limits and dates for Ukraine enacting the applicable provisions and ensuring their complete and full implementation are set out in the arrangements specified in the Annexes.

**RULES APPLICABLE TO FINANCIAL SERVICES**

The applicable provisions of the following EU acts shall be applicable in accordance with the provisions on horizontal adaptations set out in Appendix XVII-1 unless otherwise specified. Where necessary, specific adaptations for each individual act are set out hereafter.

Applicable provisions to be adopted:

**A. Banking**

Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions (recast) (hereinafter referred to as "Directive 2006/48/EC")

Timetable: The Directive's applicable provisions shall be implemented according to the following timetable.

Expected progress in adoption of EU regulation for credit institutions	Applicable provisions of Directive 2006/48/EC	Expected timeframe for implementation
Requirements for access to the taking up and pursuit of the business of credit institutions	Title II	4 years
Relations with third countries	Title IV	4 years
Principles of prudential supervision	Title V chapter 1 Section 2-4	4 years
Definition of own funds	Title V chapter 2 section 1	4 years
Large exposures provisions	Title V chapter 2 section 5	4 years
Provisions against risk in accordance with Basel I: <ul style="list-style-type: none"> <li>– Capital requirements for credit risk</li> <li>– Capital requirements for position risk, settlement and counterparty risk, FX and commodity risk.</li> <li>– Excluding the application of Article 123 and Title V chapter 5, namely the supervisory review process and disclosure requirements</li> </ul>	Title V chapter 2 section 2	4 years

Expected progress in adoption of EU regulation for credit institutions	Applicable provisions of Directive 2006/48/EC	Expected timeframe for implementation
<p>Remaining provision of the Directive (in accordance with Basel II) especially:</p> <ul style="list-style-type: none"> <li>– Capital requirements for credit risk</li> <li>– Capital requirements for operational risk</li> <li>– Capital requirements for position risk, settlement and counterparty risk, FX and commodity risk.</li> <li>– Application of Article 123 and Title V chapter 5, namely the supervisory review process and disclosure requirements</li> </ul> <p>Title V Chapter 4 on supervision</p>		6 years

Commission Directive 2007/18/EC of 27 March 2007 amending Directive 2006/48/EC of the European Parliament and of the Council as regards the exclusion or inclusion of certain institutions from its scope of application and the treatment of exposures to multilateral development banks

Timetable: The Directive's provisions shall be implemented within 4 years after entry into force of this Agreement.

Directive 2007/44/EC of the European Parliament and of the Council of 5 September 2007 amending Council Directive 92/49/EEC and Directives 2002/83/EC, 2004/39/EC, 2005/68/EC and 2006/48/EC as regards procedural rules and evaluation criteria for the prudential assessment of acquisitions and increase of holdings in the financial sector

Timetable: The Directive's provisions shall be implemented within 6 years after entry into force of this Agreement.

Directive 2006/49/EC of the European Parliament and of the Council of 14 June 2006 on the capital adequacy of investment firms and credit institutions (recast) (hereinafter referred to as "Directive 2006/49/EC")

Timetable: The Directive's provisions shall be implemented according to the following timetable

Expected progress in adoption of EU regulation for investment firms	Applicable provisions of Directive 2006/49/EC	Expected deadline to implement by Ukraine
Initial capital	Chapter 2	4 years
Trading book definition	Chapter 3	4 years
Own funds	Chapter 4	4 years
Provisions against risk in accordance with Basel I: – Capital requirements for credit risk – Capital requirements for position risk, settlement and counterparty risk, FX and commodity risk.	Chapter 5 section 1	4 years
Remaining provision of the Directive.		6 years

Directive 2002/87/EC of the European Parliament and of the Council of 16 December 2002 on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate and amending Council Directives 73/239/EEC, 79/267/EEC, 92/49/EEC, 92/96/EEC, 93/6/EEC and 93/22/EEC, and Directives 98/78/EC and 2000/12/EC of the European Parliament and of the Council

Timetable: The Directive's provisions shall be implemented within 4 years after entry into force of this Agreement.

Directive 2009/110/EC of the European Parliament and of the Council of 16 September 2009 on the taking up, pursuit of and prudential supervision of the business of electronic money institutions

Timetable: The Directive's provisions shall be implemented within 4 years after entry into force of this Agreement.

Directive 94/19/EC of the European Parliament and of the Council of 30 May 1994 on deposit-guarantee schemes

Timetable: The Directive's provisions shall be implemented within 4 years after entry into force of this Agreement.

Council Directive 86/635/EEC of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions

Timetable: The Directive's provisions shall be implemented within 4 years after entry into force of this Agreement.

Directive 2001/65/EC of the European Parliament and of the Council of 27 September 2001 amending Directives 78/660/EEC, 83/349/EEC and 86/635/EEC as regards the valuation rules for the annual and consolidated accounts of certain types of companies as well as of banks and other financial institutions

Timetable: The Directive's provisions shall be implemented within 4 years after entry into force of this Agreement.

Directive 2003/51/EC of the European Parliament and of the Council of 18 June 2003 amending Directives 78/660/EEC, 83/349/EEC, 86/635/EEC and 91/674/EEC on the annual and consolidated accounts of certain types of companies, banks and other financial institutions and insurance undertakings

Timetable: The Directive's provisions shall be implemented within 4 years after entry into force of this Agreement.

Directive 2006/46/EC of the European Parliament and of the Council of 14 June 2006 amending Council Directives 78/660/EEC on the annual accounts of certain types of companies, 83/349/EEC on consolidated accounts, 86/635/EEC on the annual accounts and consolidated accounts of banks and other financial institutions and 91/674/EEC on the annual accounts and consolidated accounts of insurance undertakings

Timetable: The Directive's provisions shall be implemented within 4 years after entry into force of this Agreement.

Council Directive 89/117/EEC of 13 February 1989 on the obligations of branches established in a Member State of credit institutions and financial institutions having their head offices outside that Member State regarding the publication of annual accounting documents

Timetable: The Directive's provisions shall be implemented within 4 years after entry into force of this Agreement.

Directive 2001/24/EC of the European Parliament and of the Council of 4 April 2001 on the reorganisation and winding up of credit institutions

Timetable: The Directive's provisions shall be implemented within 4 years after entry into force of this Agreement.

## B. Insurance

Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) (recast version)

Timetable: The Directive's provisions shall be implemented within 4 years after entry into force of this Agreement, with the exception of Articles 127 and 17c, which shall be implemented within 8 years after entry into force of this Agreement.

Directive 2009/103/EC of the European Parliament and the Council of 16 September 2009 relating to insurance against civil liability in respect of the use of motor vehicles, and the enforcement of the obligation to insure against such liability (codified version)

Timetable: The Directive's provisions shall be implemented within 2 years, with the exception of Article 9 which shall be implemented 8 years after entry into force of this Agreement.

Council Directive 91/674/EEC of 19 December 1991 on the annual accounts and consolidated accounts of insurance undertakings

Timetable: The Directive's provisions shall be implemented within 4 years after entry into force of this Agreement.

92/48/EEC: Commission Recommendation of 18 December 1991 on insurance intermediaries

Timetable: no need for legislative initiative.

Directive 2002/92/EC of the European Parliament and of the Council of 9 December 2002 on insurance mediation

Timetable: The Directive's provisions shall be implemented within 2 years after entry into force of this Agreement.

Directive 2003/41/EC of the European Parliament and of the Council of 3 June 2003 on the activities and supervision of institutions for occupational retirement provision

Timetable: The Directive's provisions shall be implemented within 2 years after entry into force of this Agreement.

## C. Securities

Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC

Timetable: The Directive's provisions shall be implemented within 4 years after entry into force of this Agreement.

Commission Directive 2006/73/EC of 10 August 2006 implementing Directive 2004/39/EC of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive

Timetable: The Directive's provisions shall be implemented within 4 years after entry into force of this Agreement.

Commission Regulation (EC) No 1287/2006 of 10 August 2006 implementing Directive 2004/39/EC of the European Parliament and of the Council as regards record-keeping obligations for investment firms, transaction reporting, market transparency, admission of financial instruments to trading, and defined terms for the purposes of that Directive

Timetable: The Regulation's provisions shall be implemented within 4 years after entry into force of this Agreement.

Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC

Timetable: The Directive's provisions shall be implemented within 4 years after entry into force of this Agreement.

Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements

Timetable: The Regulation's provisions shall be implemented within 4 years after entry into force of this Agreement.

Commission Regulation (EC) No 1787/2006 of 4 December 2006 amending Commission Regulation (EC) No 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements

Timetable: The Regulation's provisions shall be implemented within 4 years after entry into force of this Agreement.

Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC

Timetable: The Directive's provisions shall be implemented within 4 years after entry into force of this Agreement.

Commission Directive 2007/14/EC of 8 March 2007 laying down detailed rules for the implementation of certain provisions of Directive 2004/109/EC on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market

Timetable: The Directive's provisions shall be implemented within 4 years after entry into force of this Agreement.

Directive 97/9/EC of the European Parliament and of the Council of 3 March 1997 on investor-compensation schemes

Timetable: The Directive's provisions shall be implemented within 4 years after entry into force of this Agreement.

Directive 2003/6/EC of the European Parliament and of the Council of 28 January 2003 on insider dealing and market manipulation (market abuse)

Timetable: The Directive's provisions shall be implemented within 4 years after entry into force of this Agreement.

Commission Directive 2004/72/EC of 29 April 2004 implementing Directive 2003/6/EC of the European Parliament and of the Council as regards accepted market practices, the definition of inside information in relation to derivatives on commodities, the drawing up of lists of insiders, the notification of managers' transactions and the notification of suspicious transactions

Timetable: The Directive's provisions shall be implemented within 4 years after entry into force of this Agreement.

Commission Directive 2003/124/EC of 22 December 2003 implementing Directive 2003/6/EC of the European Parliament and of the Council as regards the definition and public disclosure of inside information and the definition of market manipulation

Timetable: The Directive's provisions shall be implemented within 4 years after entry into force of this Agreement.

Commission Directive 2003/125/EC of 22 December 2003 implementing Directive 2003/6/EC of the European Parliament and of the Council as regards the fair presentation of investment recommendations and the disclosure of conflicts of interest

Timetable: The Directive's provisions shall be implemented within 4 years after entry into force of this Agreement.

Commission Regulation (EC) No 2273/2003 of 22 December 2003 implementing Directive 2003/6/EC of the European Parliament and of the Council as regards exemptions for buy-back programmes and stabilisation of financial instruments

Timetable: The Regulation's provisions shall be implemented within 4 years after entry into force of this Agreement.

Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September on Credit Rating Agencies

Timetable: The Regulation's provisions shall be implemented within 4 years after entry into force of this Agreement.

Directive 2000/64/EC of the European Parliament and of the Council of 7 November 2000 amending Council Directives 85/611/EEC, 92/49/EEC, 92/96/EEC and 93/22/EEC as regards exchange of information with third countries.

Timetable: The Directive's provisions shall be implemented within 4 years after entry into force of this Agreement.

Directive 2001/34/EC of the European Parliament and of the Council of 28 May 2001 on the admission of securities to official stock exchange listing and on information to be published on those securities

Timetable: The Directive's provisions shall be implemented within 4 years after entry into force of this Agreement.

Directive 2006/31/EC of the European Parliament and of the Council of 5 April 2006 amending Directive 2004/39/EC on markets in financial instruments, as regards certain deadlines

Timetable: The Directive's provisions shall be implemented within 4 years after entry into force of this Agreement.

Commission Regulation (EC) No 211/2007 of 27 February 2007 amending Regulation (EC) No 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards financial information in prospectuses where the issuer has a complex financial history or has made a significant financial commitment

Timetable: The Regulations' provisions shall be implemented within 4 years after entry into force of this Agreement.

Commission Regulation (EC) No 1569/2007 of 21 December 2007 establishing a mechanism for the determination of equivalence of accounting standards applied by third country issuers of securities pursuant to Directives 2003/71/EC and 2004/109/EC of the European Parliament and of the Council.

Timetable: The Regulation's provisions shall be implemented within 4 years after entry into force of this Agreement.

Directive 2008/10/EC of the European Parliament and of the Council of 11 March 2008 amending Directive 2004/39/EC on markets in financial instruments, as regards the implementing powers conferred on the Commission

Timetable: The Directive's provisions shall be implemented within 4 years after entry into force of this Agreement.

Directive 2008/11/EC of the European Parliament and of the Council of 11 March 2008 amending Directive 2003/71/EC on the prospectus to be published when securities are offered to the public or admitted to trading, as regards the implementing powers conferred on the Commission

Timetable: The Directive's provisions shall be implemented within 4 years after entry into force of this Agreement.

Directive 2008/26/EC of the European Parliament and of the Council of 11 March 2008 amending Directive 2003/6/EC on insider dealing and market manipulation (market abuse), as regards the implementing powers conferred on the Commission

Timetable: The Directive's provisions shall be implemented within 4 years after entry into force of this Agreement.

Commission Regulation (EC) No 1289/2008 of 12 December 2008 amending Commission Regulation (EC) N° 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards elements related to prospectuses and advertisements

Timetable: The Regulation's provisions shall be implemented within 4 years after entry into force of this Agreement.

## D. UCITS

Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (recast).

Timetable: The Directive's provisions shall be implemented within 4 years after entry into force of this Agreement.

Commission Directive 2010/43/EU of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards organisational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between a depositary and a management company

Timetable: The Directive's provisions shall be implemented within 4 years after entry into force of this Agreement.

Commission Directive 2010/44/EU of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards certain provisions concerning fund mergers, master-feeder structures and notification procedures

Timetable: The Directive's provisions shall be implemented within 4 years after entry into force of this Agreement.

Commission Regulation (EU) No 583/2010 of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards key investor information and conditions to be met when providing key investor information or the prospectus in a durable medium other than paper or by means of a website

Timetable: The Regulation's provisions shall be implemented within 4 years after entry into force of this Agreement.

Commission Regulation (EU) No 584/2010 of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards the form and content of the standard notification letter and UCITS attestation, the use of electronic communication between competent authorities for the purpose of notification, and procedures for on-the-spot verifications and investigations and the exchange of information between competent authorities

Timetable: The Regulation's provisions shall be implemented within 4 years after entry into force of this Agreement.

Commission Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards the clarification of certain definitions

Timetable: The Directive's provisions shall be implemented within 4 years after entry into force of this Agreement.

## E. Market infrastructure

Directive 2002/47/EC of the European Parliament and of the Council of 6 June 2002 on financial collateral arrangements

Timetable: The Directive's provisions shall be implemented within 6 years after entry into force of this Agreement.

Directive 2009/44/EC of the European Parliament and of the Council of 6 May 2009 amending Directive 98/26/EC on settlement finality in payment and securities settlement systems and Directive 2002/47/EC on financial collateral arrangements as regards linked systems and credit claims

Timetable: The Directive's provisions shall be implemented within 6 years after entry into force of this Agreement.

Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems.

Timetable: The Directive's provisions shall be implemented within 6 years after entry into force of this Agreement.

## F. Payments

Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market amending Directives 97/7/EC, 2002/65/EC, 2005/60/EC and 2006/48/EC and repealing Directive 97/5/EC

Timetable: The Directive's provisions shall be implemented within 5 years after entry into force of this Agreement.

## G. Anti-Money Laundering

Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing

Timetable: The Directive's provisions shall be implemented within 2 years after entry into force of this Agreement.

Commission Directive 2006/70/EC of 1 August 2006 laying down implementing measures for Directive 2005/60/EC of the European Parliament and of the Council as regards the definition of politically exposed person and the technical criteria for simplified customer due diligence procedures and for exemption on grounds of a financial activity conducted on an occasional or very limited basis

Timetable: The Directive's provisions shall be implemented within 2 years after entry into force of this Agreement.

Regulation (EC) No 1781/2006 of the European Parliament and of the Council of 15 November 2006 on information on the payer accompanying transfers of funds

Timetable: The Regulation's provisions shall be implemented within 2 years after entry into force of this Agreement.

## H. Free movement of capital and payments

### Article 63 TFEU

Timetable: 5 years after the entry into force of this Agreement the Trade Committee shall take a final decision on the implementation timeline for this Treaty provision.

### Article 64 TFEU

Timetable: 5 years after the entry into force of this Agreement the Trade Committee shall take a final decision on the implementation timeline for this Treaty provision.

### Article 65 TFEU

Timetable: 5 years after the entry into force of this Agreement the Trade Committee shall take a final decision on the implementation timeline for this Treaty provision.

### Article 66 TFEU

Timetable: 5 years after the entry into force of this Agreement the Trade Committee shall take a final decision on the implementation timeline for this Treaty provision.

Article 75 TFEU

Timetable: 5 years after the entry into force of this Agreement the Trade Committee shall take a final decision on the implementation timeline for this Treaty provision.

Article 215 TFEU

Timetable: 5 years after the entry into force of this Agreement the Trade Committee shall take a final decision on the implementation timeline for this Treaty provision.

Annex I to Directive 88/361/EEC of 24 June 1988 for the application of Article 67 of the Treaty

Timetable: 5 years after the entry into force of this Agreement the Trade Committee shall take a final decision on the implementation timeline for the Annex I to Directive 88/361/EEC of 24 June 1988.

## RULES APPLICABLE TO TELECOMMUNICATION SERVICES

The applicable provisions of the following EU acts shall be applicable in accordance with the provisions on horizontal adaptations set out in Appendix XVII-1 unless otherwise specified. Where necessary, specific adaptations for each individual act are set out hereafter.

Applicable provisions to be adopted:

Directive 2002/21/EC of the European Parliament and of the Council of 7 March 2002 on a common regulatory framework for electronic communications networks and services (Framework Directive) as amended by Directive 2009/140/EC of the European Parliament and of the Council of 25 November 2009

- define the relevant product and service markets in the electronic communications sector that are susceptible to ex ante regulation and analyse those markets with a view to determining whether significant market power (SMP) exists on them.
- strengthen the independence and administrative capacity of the national regulator in the field of electronic communications (Article 3(2))

- establish public consultation procedures for new regulatory measures
- establish effective mechanisms for appeal against the decisions of the National regulator in the field of electronic communications.

Timetable: the Directive's provisions shall be implemented within 4 year of the entry into force of this Agreement.

Directive 2002/20/EC of the European Parliament and of the Council of 7 March 2002 on the authorisation of electronic communications networks and services (Authorisation Directive) as amended by Directive 2009/140/EC of the European Parliament and of the Council of 25 November 2009.

- implement a regulation on providing for general authorisations, and restricting the need for individual licenses to specific, duly justified cases.

Timetable: the Directive's provisions shall be implemented within 4 years of the entry into force of this Agreement.

Directive 2002/19/EC of the European Parliament and of the Council of 7 March 2002 on access to, and interconnection of, electronic communications networks and associated facilities (Access Directive) as amended by Directive 2009/140/EC of the European Parliament and of the Council of 25 November 2009.

Based on the market analysis, carried out in accordance with the framework directive the national regulator in the field of electronic communications shall impose on operators found to have significant market power (SMP) on the relevant markets, appropriate regulatory obligations with regard to:

- access to, and use of, specific network facilities
- price controls on access and interconnection charges, including obligations for cost-orientation
- transparency, non-discrimination and accounting separation

Timetable: the Directive's provisions shall be implemented within 4 years of the entry into force of this Agreement.

Directive 2002/22/EC of the European Parliament and of the Council of 7 March 2002 on universal service and users' rights relating to electronic communications networks and services (Universal Service Directive) as amended by Directive 2009/136/EC of the European Parliament and of the Council of 25 November 2009.

- implement regulation on Universal Service obligations (USO), including the establishment of mechanisms for costing and financing
- ensure the respect of users' interests and rights, in particular by introducing number portability and the single European Emergency Call number 112

Timetable: the Directive's provisions shall be implemented within 4 years of the entry into force of this Agreement.

Decision 676/2002/EC of the European Parliament and of the Council of 7 March 2002 on a regulatory framework for radio spectrum policy in the European Community

- adopt policy and regulation ensuring the harmonised availability and efficient use of spectrum

Timetable: the measures resulting from the operation of this decision shall be implemented within 4 years of the entry into force of this Agreement.

Commission Directive 2002/77/EC of 16 September 2002 on competition in the markets for electronic communications networks and services

- monitor fair competition in the electronic communications markets, in particular concerning cost oriented prices for services

Directive 98/84/EC of the European Parliament and of the Council of 20 November 1998 on the legal protection of services based on, or consisting of, conditional access.

Timetable: the Directive's provisions shall be implemented within 2 years of the entry into force of this Agreement.

Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce in the Internal Market ("E-Commerce"- Directive)

The Directive covers all information society services, both business to business and business to consumer, i.e. any service normally provided for remuneration, at a distance, by electronic means and at the individual request of a recipient of service.

Timetable: the Directive's provisions shall be implemented within 3 years of the entry into force of this Agreement.

Directive 1999/93/EC of the European Parliament and of the Council of 13 December 1999 on a Community framework for electronic signatures.

Timetable: the Directive's provisions shall be implemented within 3 years of the entry into force of this Agreement.

**RULES APPLICABLE TO POSTAL AND COURRIER SERVICES**

The applicable provisions of the following EU acts shall be applicable in accordance with the provisions on horizontal adaptations set out in Appendix XVII-1 unless otherwise specified. Where necessary, specific adaptations for each individual act are set out hereafter.

Applicable provisions to be adopted:

Directive 97/67/EC of the European Parliament and of the Council of 15 December 1997 on common rules for the development of the internal market of Community postal services and the improvement of quality of service

Timetable: the Directive's provisions shall be implemented within 2 years of the entry into force of this Agreement.

Directive 2002/39/EC of the European Parliament and of the Council of 10 June 2002 amending Directive 97/67/EC with regard to the further opening to competition of Community postal services

Timetable: the Directive's provisions shall be implemented within 2 years of the entry into force of this Agreement.

Directive 2008/6/EC of the European Parliament and of the Council of 20 February 2008 amending Directive 97/67/EC with regard to the full accomplishment of the internal market of Community postal services

Timetable: the Directive's provisions shall be implemented within 2 years of the entry into force of this Agreement.

**RULES APPLICABLE TO INTERNATIONAL MARITIME TRANSPORT**

The applicable provisions of the following EU acts shall be applicable in accordance with the provisions on horizontal adaptations set out in Appendix XVII-1 unless otherwise specified. Where necessary, specific adaptations for each individual act are set out hereafter.

Applicable provisions to be adopted:

Maritime safety - Flag state / classification societies

Council Directive 94/57/EC of 22 November 1994 on common rules and standards for ship inspection and survey organizations and for the relevant activities of maritime administrations

Timetable: the Directive's provisions shall be implemented within 5 years of the entry into force of this Agreement.

Regulation (EC) No 336/2006 of the European Parliament and of the Council of 15 February 2006 on the implementation of the International Safety Management Code within the Community and repealing Council Regulation (EC) No 3051/95

Timetable: the Regulation's provisions shall be implemented within 3 years of the entry into force of this Agreement.

## Application decisions

List of organisations recognised on the basis of Council Directive 94/57/EC of 22 November 1994 on common rules and standards for ship inspection and survey organizations and for the relevant activities of maritime administrations

Timetable: the Decision's provisions shall be implemented within 3 years of the entry into force of this Agreement.

## Port State

Council Directive 95/21/EC of 19 June 1995 concerning the enforcement, in respect of shipping using Community ports and sailing in the waters under the jurisdiction of the Member States, of international standards for ship safety, pollution prevention and shipboard living and working conditions (port State control)

Timetable: the Directive's provisions shall be implemented within 5 years of the entry into force of this Agreement.

## Traffic monitoring

Directive 2002/59/EC of the European Parliament and of the Council of 27 June 2002 establishing a Community vessel traffic monitoring and information system and repealing Council Directive 93/75/EEC

Timetable: the Directive's provisions shall be implemented within 6 years of the entry into force of this Agreement.

### (a) Technical and operational rules

#### – Passenger ships

Council Directive 98/18/EC of 17 March 1998 on safety rules and standards for passenger ships

Timetable: the Directive's provisions shall be implemented within 3 years of the entry into force of this Agreement.

Council Directive 1999/35/EC of 29 April 1999 on a system of mandatory surveys for the safe operation of regular ro-ro ferry and high-speed passenger craft services

Timetable: the Directive's provisions shall be implemented within 3 years of the entry into force of this Agreement.

Directive 2003/25/EC of the European Parliament and of the Council of 14 April 2003 on specific stability requirements for ro-ro passenger ships

Timetable: the Directive's provisions shall be implemented within 3 years of the entry into force of this Agreement.

– Oil tankers

Regulation (EC) No 417/2002 of the European Parliament and of the Council of 18 February 2002 on the accelerated phasing-in of double hull or equivalent design requirements for single hull oil tankers and repealing Council Regulation (EC) No 2978/94

The timetable of phasing-out single hull tankers will follow the schedule as specified in the MARPOL Convention.

– Bulk carriers

Directive 2001/96/EC of the European Parliament and of the Council of 4 December 2001 establishing harmonised requirements and procedures for the safe loading and unloading of bulk carriers

Timetable: the Directive's provisions shall be implemented within 5 years of the entry into force of this Agreement.

– Crew

Directive 2001/25/EC of the European Parliament and of the Council of 4 April 2001 on the minimum level of training of seafarers

Timetable: the Directive's provisions shall be implemented within 3 years of the entry into force of this Agreement.

(b) Environment

Directive 2000/59/EC of the European Parliament and of the Council of 27 November 2000 on port reception facilities for ship-generated waste and cargo residues

Timetable: the Directive's provisions shall be implemented within 6 years of the entry into force of this Agreement.

Regulation (EC) No 782/2003 of the European Parliament and of the Council of 14 April 2003 on the prohibition of organotin compounds on ships

Timetable: the Regulation's provisions shall be implemented within 3 years of the entry into force of this Agreement.

Technical conditions

Directive 2002/6/EC of the European Parliament and of the Council of 18 February 2002 on reporting formalities for ships arriving in and/or departing from ports of the Member States of the Community

Timetable: the Directive's provisions shall be implemented within 5 years of the entry into force of this Agreement.

## Social conditions

Council Directive 92/29/EEC of 31 March 1992 on the minimum safety and health requirements for improved medical treatment on board vessels

Timetable: the Directive's provisions shall be implemented within 3 years of the entry into force of this Agreement.

Council Directive 1999/63/EC of 21 June 1999 concerning the Agreement on the organisation of working time of seafarers concluded by the European Community Shipowners' Association (ECSA) and the Federation of Transport Workers' Unions in the European Union (FST) - Annex: European Agreement on the organisation of working time of seafarers, except Clause 16

Timetable: the Directive's provisions shall be implemented within 5 years of the entry into force of this Agreement, with the exception of Clause 16 which shall be implemented within 7 years of the entry into force of this Agreement.

Directive 1999/95/EC of the European Parliament and of the Council of 13 December 1999 concerning the enforcement of provisions in respect of seafarers' hours of work on board ships calling at Community ports

Timetable: the Directive's provisions shall be implemented within 5 years of the entry into force of this Agreement.

## Maritime security

Directive 2005/65/EC of the European Parliament and of the Council of 26 October 2005 on enhancing port security

Timetable: the Directive's provisions (except those concerning Commission inspections) shall be implemented within 3 years of the entry into force of this Agreement.

Regulation (EC) No 725/2004 of the European Parliament and of the Council of 31 March 2004 on enhancing ship and port facility security

Timetable: the Regulation's provisions (except those concerning Commission inspections) shall be implemented within 3 years of the entry into force of this Agreement.

## PROVISIONS ON MONITORING

### 1. Provisions related to exchange of information and cooperation

In order to ensure the correct application of Annex XVII, notably its Articles 2, 3, 4 and 5, the Parties and their relevant authorities and bodies shall exchange all information pertinent to the approximation to and implementation of the relevant EU legislation. The Parties will ensure full administrative cooperation.

The Parties will agree on procedures for the exchange of information, including a list of relevant authorities with a contact point for each piece of legislation covered by Appendices XVII-2 to XVII-5. Each Party is authorised to establish direct contacts with all authorities and bodies of the other Party included in the aforementioned list.

Documents submitted to the EU shall always include a version in English. The EU will communicate exclusively in English, except where decided otherwise.

## 2. Roadmap

Within a period of 6 months after the entry into force of this Agreement, Ukraine shall submit for each sector a detailed roadmap for the enactment and implementation of all sector-specific acts referred to in Appendices XVII-2 to XVII-5 (hereinafter, the "EU legal acts"), highlighting the possible legislative and institutional changes required, intermediate timelines and an estimate of administrative capacity needs. The roadmaps are indicative and may be adjusted.

## 3. Reporting and assessment

Once Ukraine is of the view that a particular EU legal act has been properly implemented, it shall inform the EU thereof. Ukraine shall transmit to the competent Commission service the internal act with a cross-comparison table ('transposition table') showing in detail the correspondence with each article of the EU legal act as well as, if applicable, a list of Ukrainian legal acts that has to be amended or annulled in order to fully implement the EU legal act.

The EU will assess Ukraine's approximation to the EU legal act on the basis of the aforementioned transposition tables, the list of Ukrainian acts to be amended or annulled and other relevant information provided in accordance with Article 1 of this Appendix. Formal assessment will be exclusively based on a comparison between the final legal acts and the specific EU legal act.

The competent Commission services will issue an assessment of the act within 12 weeks following its official transmission. This period can be prolonged once with due justification. Without prejudice to Articles 4(3) and 5(3) of Annex XVII on Regulatory Approximation, if the assessment provided for in previous paragraphs concludes that Ukraine did not approximate properly to a particular EU legal act, the EU shall issue written recommendations on the appropriate measures to ensure full consistency with the EU legal act. Upon request, these recommendations can be discussed in the Trade Committee.

The process for the formal assessment of the approximation to the EU legal act does not prejudice the assessment of the effective enactment and enforcement of the EU legal act for the purpose of Articles 4(3) and 5(3) of Annex XVII.

#### 4. Assessment of progress in the effective enactment and implementation of EU legal acts

Ukraine shall ensure that authorities and bodies under its jurisdiction which are responsible for the effective application of the national legislation adopted pursuant to Articles 114, 124, 133 and 139 of Chapter 6 (Establishment, Trade in Services and Electronic Commerce) and Chapter 7 (Current Payment and Movement of Capital) of Title IV of this Agreement and Annex XVII in conjunction with Appendices XVII-2 to XVII-5 continuously apply and adequately enforce all legislation for which the EU's formal assessment of Ukraine's approximation efforts had previously been positive as well as all future EU legislation pursuant to Articles 3, 4 and 5 of Annex XVII.

Ukraine shall report regularly and at least twice a year on progress in the overall implementation in a certain sector and regarding the execution of the roadmap provided for in Article 2 of this Appendix. Both Parties shall agree on the exact format and contents of the reports

Progress reports shall, in line with Article 1 of this Appendix, be transmitted to the competent service of the Commission and can be discussed in special committees or bodies established in line with the institutional framework under the Association Agreement.

Ukraine shall provide adequate evidence of the effective enactment and enforcement of the EU legal acts. To that end, Ukraine shall demonstrate a sufficient administrative capacity to enforce the national legislation adopted pursuant to Articles 114, 124, 133 and 139 of Chapter 6 (Establishment, Trade in Services and Electronic Commerce) and Chapter 7 (Current Payments and Movement of Capital) of Title IV of this Agreement and Annex XVII in conjunction with Appendices XVII-2 to XVII-5 and provide a satisfactory track record of sector-specific surveillance and investigation, prosecutions, and administrative and judicial treatment of violations.

Without prejudice to Articles 4(3) and 5(3) of Annex XVII on regulatory approximation, the EU may assess the progress with on-the-spot missions, carried out with the cooperation of the competent Ukrainian authorities and may have recourse, where appropriate, to the assistance of third parties at national or international level, as well as private organizations.

ANNEX XVIII to Chapter 6  
ENQUIRY POINTS

To be included within 3 months after entry into force of this Agreement, see Article 107(1) of this Agreement.

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ANNEX XIX to Chapter 6  
EU INDICATIVE LIST OF RELEVANT PRODUCT AND SERVICES MARKETS  
TO BE ANALYSED ACCORDING TO ARTICLE 116 OF THIS AGREEMENT

Retail level

Access to the public telephone network at a fixed location for residential and non-residential customers.

Wholesale level

1. Call origination on the public telephone network provided at a fixed location.

For the purposes of this list, call origination is taken to include call conveyance, delineated in such a way as to be consistent, in a national context, with the delineated boundaries for the market for call transit and for call termination on the public telephone network provided at a fixed location.

2. Call termination on individual public telephone networks provided at a fixed location.

For the purposes of this list, call termination is taken to include call conveyance, delineated in such a way as to be consistent, in a national context, with the delineated boundaries for the market for call origination and the market for call transit on the public telephone network provided at a fixed location.

3. Wholesale (physical) network infrastructure access (including shared or fully unbundled access) at a fixed location.

4. Wholesale broadband access.

This market comprises non-physical or virtual network access including 'bit-stream' access at a fixed location. This market is situated downstream from the physical access covered by market 3 listed above, in that wholesale broadband access can be constructed using this input combined with other elements.

5. Wholesale terminating segments of leased lines, irrespective of the technology used to provide leased or dedicated capacity.

6. Voice call termination on individual mobile networks.

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ANNEX XX to Chapter 6  
UKRAINE INDICATIVE LIST OF RELEVANT MARKETS  
TO BE ANALYSED ACCORDING TO ARTICLE 116 OF THIS AGREEMENT

Retail level

1. Access to the public telephone network at a fixed location for residential customers.
2. Access to the public telephone network at a fixed location for non-residential customers.
3. Publicly available local and/or national telephone services provided at a fixed location for residential customers.
4. Publicly available international telephone services provided at a fixed location for residential customers.

5. Publicly available local and/or national telephone services provided at a fixed location for non-residential customers.
6. Publicly available international telephone services provided at a fixed location for non-residential customers.
7. The minimum set of leased lines (which comprises the specified types of leased lines up to and including 2Mb/sec).

#### Wholesale level

8. Call origination on the public telephone network provided at a fixed location.
9. Call termination on individual public telephone networks provided at a fixed location.
10. Transit services in the fixed public telephone network.

11. Wholesale unbundled access (including shared access) to metallic loops and sub-loops for the purpose of providing broadband and voice services.
  12. Wholesale broadband access.
  13. Wholesale terminating segments of leased lines.
  14. Wholesale trunk segments of leased lines.
  15. Access and call origination on public mobile telephone networks.
  16. Voice call termination on individual mobile networks.
  17. The wholesale national market for international roaming on public mobile network.
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