

## iMoRe # 80 Spring on the street of Ukrainian reforms - iMoRe grows second round in a row

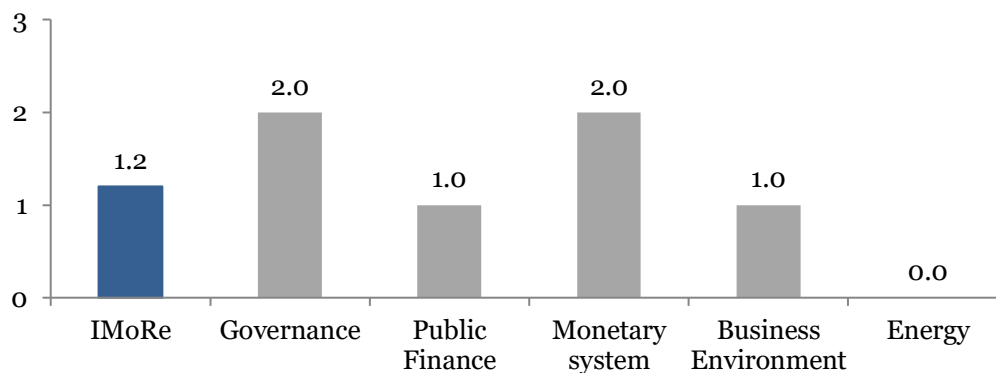
*The index for monitoring of reforms (iMoRe) is +1.2 points for the period from February 26 – March 11, 2018 (+1.1 in the previous round on a scale of -5.0 to +5.0). Positive developments were recorded in legislation regarding governance, public finances, the monetary system and business environment. The major events of the round are the law on privatization and the creation of the NBU credit register.*

Chart 1. iMoRe dynamics\*



iMoRe can take values from -5 to +5  
with value above +2 considered an acceptable pace of reforms

Chart 2. iMoRe and its components in the current round



## The major events of the release

### 1. Law on privatization

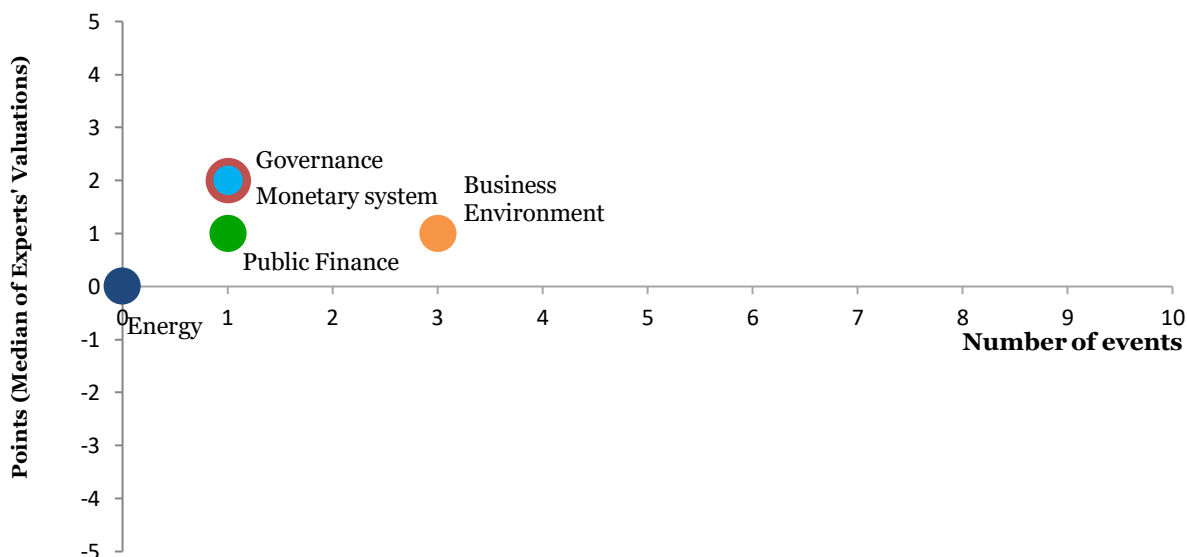
In Ukraine, the state owns 3444 enterprises, most of which are detrimental. According to the results of 2016, the losses of state enterprises amounted to 3% of GDP. According to the estimates of the Ministry of Economic Development, the budget emits funds on their maintenance amounting to half of what is spent on the army every year.

Last year, the Ministry of Economic Development and Trade made the so-called "triage" (medical sorting) and defined which state-owned enterprises should remain state-owned for a long-term, be transferred to a concession, privatized or liquidated. However, privatization has not started yet.

For the past three years, UAH 17 billion income from privatization was pledged to the state budget, but this plan has never been fulfilled by more than 5 per cent.

Law 2269-VIII of January 18, 2018 is another attempt to launch a large-scale privatization. It also introduces clear, transparent and simple rules for the privatization of small objects using electronic platforms.

**Chart 3. Value of iMoRe components and number of events**



### 2. Law on the NBU credit register

Today, several credit history bureaus that operate in Ukraine, accumulate information on loans to individuals and legal entities. However, the existing system proved insufficient for banks to effectively assess the degree of customer risk due to the lack of a well-functioning exchange of such information.

## Index for Monitoring Reforms (iMoRe)

Release 80

Monitoring period: February 25 – March 11, 2018



In order to ensure such monitoring, as well as the needs of banks for analyzing their credit risks, the law on the creation of the NBU credit register (2277-VIII of 06.02.2018) was adopted. This register will co-exist with the credit private history bureaus. Banks will have to provide information to bureaus about large loans (more than 100 minimum wages, today it is about 370 thousand UAH). If necessary, banks will get information about their clients from this register, as well as individuals and legal entities will be able to access their personal information the register contains.

(Please see other charts on the website [http://imorevox.in.ua/?page\\_id=577](http://imorevox.in.ua/?page_id=577),  
[http://imorevox.in.ua/list\\_rounds.php](http://imorevox.in.ua/list_rounds.php))

**Note:** Index for Monitoring Reforms (iMoRe) from VoxUkraine aims to provide a comprehensive assessment of reform efforts by Ukraine's authorities. The Index is based on expert assessments of changes in the regulatory environment in five areas:

1. *Governance*
2. *Public Finance*
3. *Monetary system*
4. *Business Environment*
5. *Energy*

For details please visit [imorevox.org](http://imorevox.org).

### Main media partners



### Project partners

