

Dear Partners,

This week, we have urgent news: UA: PBC's accounts are frozen. UA: PBC needs partners' support.

Contact person in case of any questions or ideas:

Lesia Sokolyk

Deputy Head of the International Cooperation Department, UA: PBC

E: l.sokolyk@suspilne.media; M: +380 99 261 61 86

UA: PBC operation blocked: all accounts frozen.

UA: PBC needs partners' support



By the Regulations No. 61321781 of the Enforcement of Judgments Office of the State Executive Service Department of the Ministry of Justice of Ukraine dd 18 February 2020 and 20 February 2020, **the funds on the Public Broadcaster's accounts** **were** **frozen.**

On 18 February, the Ministry of Justice of Ukraine initiated the executive proceedings in relation to the collection of debt amounting to **Euro 10 591 224.48** and **UAH 73 080** of the court fee from UA: PBC in favor of **EURONEWS SA.**

The former National Television Company of Ukraine had begun to cooperate with EURONEWS SA in 2010 before the Public Broadcaster was established. Then, the allocation of funds from the budget for payment of the license fees under the agreement for the establishment of Euronews International Service in Ukrainian Language ceased which resulted in the debt and the corresponding litigation process.

The Public Broadcaster **inherited this debt** as a legal successor of all the rights and liabilities of the former state National Television Company of Ukraine which ceased its activities.

At the moment, the freezing of the accounts has made it impossible to prepare for the broadcast of the 2020 Olympic Games, is blocking the participation of Ukraine in Eurovision 2020, has stopped launch of new projects of UA: PBC, particularly the launch of the new public studio to broadcast on UA: PERSHYI channel.

In the nearest time, the freezing of funds will cause the full stop of the broadcasting company's operation, as the company's ability to cover the necessary costs for the operation of the nationwide broadcaster' channels (UA: PERSHYI, UA: KULTURA), all UA: PBC's regional channels, digital platforms and three radio channels (UA: Ukrainian Radio, UA: Radio Promin and UA: Radio Kultura) has been blocked.

For the whole week, the Public Broadcaster has been asking for help the Cabinet of the Ministers of Ukraine, the Ministry of Finance of Ukraine, the Ministry of Culture, Youth and Sports of Ukraine and the Ministry of Justice of Ukraine, however, there has been neither any response, nor any help received from the authorities.

We understand that even if the expenditures come close to what is provided by this year's budget programme for the broadcasting company, all the funds from

the budget will be immediately transferred from the Public Broadcaster's accounts to EURONEWS SA. That means that UA: PBC will fall short of almost UAH 300 mln based on the 2020 budget planned and provided by the law. So, it will be impossible to implement the broadcasting company's annual plan of activities. UA: PBC will again switch to the survival mode, as it was during the previous years due to extreme underfunding when the Public Broadcaster could cover only basic costs without any appropriate investments into production of new content or technical upgrade.

In the existing situation, **the Public Broadcaster is further calling on the ministries to initiate allocation of separate funds from the state budget** for immediate settlement of the existing debt of the former state company, as well as Euro 1.6 mln of the enforcement fee which the broadcasting company has to pay in addition.

In addition to the above, the Ministry of Finance of Ukraine has requested JSC "UA: PBC" to compensate expenses of state budget by urgently covering the debt of UAH 7 587 000.10 in the respect of a fine for failure to perform duties subject to the credit granted by Japan which was received under state guarantees in accordance with the credit agreement No. 18/06-134 as of 16.10.1996. Again, the Public Broadcaster inherited this debt as a legal successor of all the rights and liabilities of the former state National Television Company of Ukraine which ceased its activities.

It comes as no surprise that at the present moment, the Ministry of Finance has made such a request to pay off the debt which came out of the relationship that took place more than 20 years ago.

UA: PBC team wants to draw public attention to the fact that it is impossible to build and develop an independent public broadcaster if it is burdened with huge state debts. **The absence of help from state authorities in solving this issue will lead to the complete stop of public broadcasting in Ukraine.**

JSC “UA: PBC” appeals to partners to help solve the issue of an additional financing by the state and settlement of the state debt that the Public Broadcaster was burdened with as well as the release from freezing order. We kindly ask you to use any possible communication channels to tell all the involved stakeholders how urgent and important the assistance for UA: PBC in the said debt settlement is.