TECHNOLOGY OF PROGRESS

UKRAINE REFORMS TRACKER WEEKLY

Issue 33 (114) • 15-22 July 2025

BREAKING NEWS

Parliament destroys independence of anti-corruption state bodies NABU and SAPO amid wave of law enforcement raids

On July 22 Verkhovna Rada has adopted draft law #12414 in its final reading, effectively **destroying the institutional independence of key anti-corruption state bodies – the National Anti-Corruption Bureau (NABU) and the Specialized Anti-Corruption Prosecutor's Office (SAPO)**. The vote comes the next day after a wave of Ukraine's Security Service (SBU), State Bureau of Investigations (SBI) and Prosecutor General's Office raids targeting employees of NABU.

Despite significant criticism from anticorruption NGOs such as Transparency International and Anti-Corruption Action Center, the legislation passed with 263 votes in favor.

According to information obtained by Iaroslav Zhelezniak MP, **draft law is already signed by both the Speaker of Parliament and the President**.

On July 22, Law Enforcement Committee of the Verkhovna Rada under the leadership of Serhii Ionushas (Sluga Narodu faction) supported relevant amendments to Draft Law #12414 (changes to the Criminal Code). The amendments were submitted by Maxym Buzhanskii and other MPs also on July 22, several hours before the committee's emergency meeting and Rada's meeting.

By 11:15 a.m. July 22, the Sluga Narodu (*Servant of the People)* faction had already added the bill on the same day's voting agenda.

Among the most alarming provisions are the following:

- SAPO prosecutors would report to the Prosecutor General (PG), not the head of SAPO, giving the PG control over who oversees NABU investigations.
- The PG could take over any NABU case and reassign it to a different prosecutor.

- A current ban on reassigning NABU cases would be eliminated.
- If NABU refuses to follow the PG's instructions, their cases could be pulled entirely.
- SAPO would lose the right to reclaim NABU cases from other law enforcement agencies.
- NABU could only request case files from other agencies with the PG's approval – currently, it requires consent from SAPO's chief.
- Only the PG would be allowed to resolve disputes over investigative jurisdiction, a role that currently belongs to SAPO.
- The PG would be empowered to close corruption cases against high-ranking officials, with a list of covered positions spelled out in law.
- All plea agreements in NABU cases would require the PG's approval.
- Only the PG could sign off on formal charges in NABU cases.
- A longstanding ban on the Prosecutor General issuing directives to SAPO prosecutors would be removed.
- During martial law, prosecutors could be appointed without relevant experience and without any open competition or promoted also without competition.
- Prosecutors could be dismissed simply due to staffing changes or internal restructuring. It means that SAPO prosecutors could be fired just because their unit is renamed or reorganized.

On July 21, day before the voting, SBU and the Prosecutor General's Office carried out approximately 80 searches targeting 19 employees of NABU, reportedly without court warrants — in direct violation of Ukrainian law.

The targeted detectives reportedly face allegations of treason, illegal trade with Russia, and corruption in favor of oligarchic interests.

NABU, however, stated that those employees had already passed joint background checks with the SBU, which previously confirmed no security concerns.

Simultaneously, SBI has revived years-old cases involving traffic incidents allegedly linked to NABU officials.

Meanwhile, the SBU has launched an unannounced inspection of how NABU and SAPO handle classified information – a move that may give SBU access to details of ongoing investigations, including those involving top officials.

These developments follow recent NABU charges against former Deputy Prime Minister Oleksii Chernyshov and a relative of Tymur

Mindich, a former business partner of President Zelenskyy.

Source: Verkhovna Rada of Ukraine, NABU, SAPO, SBU, SBI

IMF's benchmarks and soft commitments

New Prime Minister of Ukraine defends Government's rejection to appoint selected ESBU Director

Ukraine's new Prime Minister, Yuliia Svyrydenko, has stated that the government acted in full compliance with the law and regulatory framework when it refused to appoint the winner of the official selection process for director of the Economic Security Bureau of Ukraine (ESBU), Oleksandr Tsyvinskyi.

As reported earlier, the previous Cabinet under Denys Shmyhal rejected Tsyvinskyi, the sole candidate selected by the independent commission, and instead requested the submission of up to two new candidates – a move which isn't permitted by law. The commission has refused to comply, reaffirming its decision as legally binding.

As of July 22, the ESBU still has no appointed director. According to Ukrainian law, the Cabinet of Ministers was obligated to appoint the competition winner no later than July 10.

Source: Bloomberg, Verkhovna Rada of Ukraine

Obligations to the EU

Parliament clears way for ARMA reform bill to be signed

Ukraine's parliament has lifted the procedural block on bill #12374-d, which reforms the Asset Recovery and Management Agency (ARMA). The so-called "blocking" resolution, submitted earlier by members of the Batkivshchyna party, has been rejected, allowing the Speaker and President to formally sign the legislation.

The reform introduces new eligibility criteria for the agency's head, requires a competitive selection process with international experts, and strengthens oversight over asset transfers.

Adoption of the bill was one of the requirements under the Ukraine Facility. However, the Ukraine already missed its deadline.

Source: Verkhovna Rada of Ukraine

Other key economic issues

Ukrainian court targets prominent ati-corruption activist

Pecherskyi Kyiv court has imposed a personal recognizance measure on Vitaliy Shabunin, head of the Anti-Corruption Action Center (AntAC), following a request by prosecutors.

Moreover, the State Bureau of Investigations (SBI) also searched the apartment of deceased Hero of Ukraine and Air Force pilot Andrii "Juice" Pilshchykov, allegedly as part of the same investigation.

On July 11, Ukrainian law enforcement officers conducted searches at Shabunin's home and his military unit in connection to the supposedly wrongful Shabunin's military posting move to Kyiv.

Source: SBI

Ukraine extends martial law and mobilization until November

Ukraine's parliament has approved the extension of martial law and general mobilization for the 16th time since the start of Russia's full-scale invasion. The extension will be effective from August 7 to November 5, 2025.

Source: Verkhovna Rada of Ukraine

Cabinet reshuffle in Ukraine: new PM appointed, Shmyhal to lead Defense Ministry

Last week Verkhovna Rada dismissed the Cabinet of Ministers of Denys Shmyhal. The next day Parliament appointed a renewed government. Economy Minister Yuliia Svyrydenko becoming the prime minister, and the former Prime Minister Denys Shmyhal taking on the Defense Ministry. Except for this one, there is no major personnel change in the government.

Among those who stayed are Foreign Minister Andrii Sybiha, Interior Minister Ihor Klymenko, Finance Minister Serhiy Marchenko, Health Minister Viktor Liashko, Veterans Affairs Minister Nataliia Kalmykova, Youth and Sports Minister Matvii Bidnyi, Education Minister Oksen Lisovyi and vice prime minister and minister of regional development Oleksii Kuleba.

Mykhailo Fedorov, who continues to serve as minister of digital transformation, has also been promoted to first deputy prime minister. Oleksiy Sobolev, 1-st deputy minister of economy, and

Denys Ulyutin, 1-st deputy minister of finance, were promoted to Minister of Resources (united MinEconomy, MinAgriculture and MinEcology) and Minister of Social Affairs respectively.

Source: Verkhovna Rada of Ukraine, Cabinet of Ministers

Contributor authors: **Yaroslav Zhelezniak, Daria Kutsenko, Max Nefyodov**

uaprogress.tech

You have received this newsletter because you are a subscriber of Ukrainian Economy in Brief Newsletter from Iaroslav Zhelezniak MP.

Unsubscribe