

ANALYTICAL NOTE No. 7

Trade Union House

Project - "Monitoring the Management of Seized Assets"



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This publication was prepared within the framework of the project monitoring the activities of the National Agency of Ukraine for Finding, Tracing and Management of Assets Derived from Corruption and Other Crimes (ARMA). The Institute of Legislative Ideas focuses on the practical aspects of transferring seized assets into management, in particular for their subsequent sale. The analysis covers the types of assets transferred into management, the typical problems that arise at different stages of this process, and the systemic factors that hinder effective management. Based on the monitoring results, proposals were developed to improve the relevant procedures and regulatory framework.

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Executive Summary

The Trade Union House is an administrative building in the centre of Kyiv with a value of almost UAH 848 million. Due to manipulations by the Federation of Trade Unions of Ukraine, the asset was seized and transferred to ARMA.

The organization of the process for transferring this asset into management illustrates the problem of unregulated deadlines for announcing competitions to select a temporary manager. Twenty months passed between the transfer of the asset and the publication of the announcement on Prozorro.

The creation of the asset manager after the start of the selection procedure for the Trade Union House, as well as the fact that the manager had only one employee, raise doubts about the future effectiveness of the management of the seized assets.

Attempts at a forcible takeover of the Trade Union House by persons who may be connected with the leadership of the Federation of Trade Unions of Ukraine were recorded.

Identified issues as of 26.05.2025

- ***No publication on Prozorro of a competition to select a temporary manager for 19 months after the search for a manager began.***
- ***The asset manager was created only after the search for a manager for this asset had already begun.***
- ***Attempts at a forcible takeover of the asset by persons allegedly connected with its owners.***

1. General information about the asset

The Trade Union House is an administrative building in the very centre of Ukraine's capital, commissioned in 1980. During 2016-2018, the building was restored by a private investor after the large-scale fire during the Revolution of Dignity. The Trade Union House resumed operations on 19.02.2019¹.

The owner of the asset is the Federation of Trade Unions of Ukraine, through the Enterprise "Economic Department of the Federation of Trade Unions of Ukraine". Address: 2 Maidan Nezalezhnosti, Kyiv; total area: 13,892.2 sq. m. Registration number: 1774808580000².

According to the property valuation report prepared by PE "Expert-Analytyk", the market value of the asset as of 01.09.2024 is UAH 848,322,400, which is confirmed by the review of the property valuation report dated 29.10.2024³.

2. Current status

On 18 May 2023, ARMA began searching for a manager for the Trade Union House⁴.

However, during 2023-2024, no competition was announced on Prozorro. This confirms the need to set clear deadlines for conducting the procedure for selecting a temporary manager of seized property.

As a result, for more than a year and a half the asset was not even put up for competition for transfer into temporary management.

On 16 August 2024, ARMA announced preliminary consultations and market analysis to prepare tender documentation for the competition to select a manager of the seized assets⁵. On the same day, a competition was announced to select valuation entities to determine the appraised value of the Trade Union House⁶.

On 8 November 2024, ARMA announced a competition to select a manager for the Trade Union House⁷.

On 11 December 2024, an announcement was published on the Prozorro platform on open bidding (open bidding with special conditions) for the procurement of the management service for the Trade Union House⁸:

- expected procurement value - UAH 300,000. Accordingly, bidding starts from a 30% manager's remuneration from the income generated by asset management;

- the minimum monthly amount of revenue to the State Budget of Ukraine (guaranteed payment) is UAH 1,591,224.04⁹.

Only one participant took part in this competition - the Consortium "Managing Company KAMparitet", with a tender proposal of UAH 50,500 (5.05%

¹ <https://surli.li/lxjgov>

² <https://surli.li/ktdqom>

³ <https://surli.cc/xdwhcf>

⁴ <https://surli.cc/qdotav>

⁵ <https://surli.cc/wwehft>

⁶ <https://surli.cc/kyikke>

⁷ <https://surli.cc/umjqyx>

⁸ <https://prozorro.gov.ua/tender/UA-2024-12-11-014355-a>

⁹ <https://surli.cc/bfsdji>

remuneration). However, the bidding did not take place because the participant failed to correct, within 24 hours, the discrepancies identified by the contracting authority in the information and/or documents submitted as part of its tender proposal¹⁰.

On 23 January 2025, an announcement was again published on the Prozorro platform on open bidding for the procurement of the management service for the Trade Union House¹¹.

Following the open competition, on 13.03.2025, among four participants, the Consortium "Managing Company KAMparitet" was selected as the manager of the Trade Union House, with a tender proposal of UAH 101,500¹².

However, on 20.03.2025, the decision to select the manager was cancelled because a protocol for another competition had been mistakenly uploaded to the Prozorro platform¹³.

Because of this, on 10.04.2025 ARMA had to adopt a new decision recognizing the Consortium "Managing Company KAMparitet" as the winner of the competition to select the manager of the Trade Union House¹⁴.

On 21.04.2025, an asset (property) management agreement was concluded¹⁵, under which:

- the market value of the assets is UAH 848,322,400;
- the manager's remuneration is 10.15% of the amount of income received per month;
- the guaranteed payment is UAH 1,591,224.04.

On 13.05.2025, ARMA transferred the Trade Union House into the management of the Consortium "Managing Company KAMparitet"¹⁶.

On 22.05.2025, unidentified persons, allegedly representatives of the All-Ukrainian Trade Union of Athletes, attempted a forcible takeover of the Trade Union House. ARMA links this event to certain leaders of the Federation of Trade Unions of Ukraine¹⁷.

3. Grounds for the seizure of the asset and its transfer to ARMA

A specific feature of this asset is that it has been recognized as material evidence in three different criminal proceedings at the same time. Within each of these criminal proceedings, there has been an ongoing procedural struggle over the Trade Union House: since 2020, it has repeatedly been seized and released from seizure, and decisions have been adopted to transfer it into ARMA's management.

The Main Investigative Department of the State Bureau of Investigation, under the procedural supervision of the Office of the Prosecutor General, is conducting a pre-trial investigation in criminal proceeding No. 6201910000001170 dated 20.08.2019 on the grounds of criminal offences under Part 1 of Article 15, Part 5 of

¹⁰ <https://prozorro.gov.ua/tender/UA-2024-12-11-014355-a/print/report/pdf>

¹¹ <https://prozorro.gov.ua/tender/UA-2025-01-23-014362-a>

¹² <https://surli.cc/jcwky>

¹³ <https://surli.cc/fzoyt>

¹⁴ <https://surli.cc/onkkg>

¹⁵ <https://surli.cc/xzpbpk>

¹⁶ <https://surli.cc/vqhhib>

¹⁷ <https://surli.cc/cfxiej>

Article 191, Part 2 of Article 364, Part 2 of Article 366, Part 2 of Article 367, and Part 5 of Article 191 of the Criminal Code of Ukraine.

The pre-trial investigation established that the improper performance by the Head of the State Property Fund of Ukraine of official duties and the systematic disregard of the requirements of Article 2 and paragraph 5 of part 1 of Article 4 of the Law of Ukraine "On the State Property Fund of Ukraine", concerning the lack of proper control over the organization and conduct of privatization of state property, alienation of state property, transfer of state property for lease and use, and return to state ownership of state property that had been privatized, alienated or removed from state ownership in violation of the law, led to the alienation of real estate objects that were under the management of the Federation of Trade Unions of Ukraine, PJSC "Ukrprofzodorovnytsia", and PJSC "Ukrproftur" and are state-owned property.

During investigative (search) actions, the pre-trial investigation body obtained information about real estate objects held by the Federation of Trade Unions of Ukraine that were planned to be alienated in the near future, including the planned sale of the Trade Union House.

The evidence collected during the pre-trial investigation indicates that the Trade Union House is the object of unlawful encroachment by law enforcement officials and employees of the Federation of Trade Unions of Ukraine¹⁸.

By the ruling of the investigating judge of the Pechersk Court of Kyiv dated 03.04.2023 in case No. 757/12536/23-k (criminal proceeding No. 62019100000001170 dated 20.08.2019)¹⁹, the Trade Union House was seized and transferred to ARMA for management measures to ensure its preservation and the preservation of its economic value.

¹⁸ <https://reyestr.court.gov.ua/Review/105977647>

¹⁹ <https://reyestr.court.gov.ua/Review/110077431>