

TAXATION SYSTEM

Tax name	Rate	Features
Corporate Income Tax (CIT)	18%	<p>Rates for legal entities non-residence pay CIT at 0%, 4%, 6%, 12%, 15% and 20% from their income (tax rates varies depending on type of income).</p> <p>Payers: Resident business entities that generate profits from their activity both within and outside the territory of Ukraine; Foreign legal entities that derive profits from Ukrainian sources (with the exception of diplomatic establishments and other organizations enjoying immunity from taxation); Permanent establishments of foreign entities, which such foreign entities may acquire either through their fixed place of business in Ukraine or through a Ukrainian resident entity.</p> <p>Non-payers: State authorities, public organizations, political parties, religious and charity organizations, other non-profit organizations.</p>
Value added rates (VAT)	20%	<p>Taxable transactions –VAT is levied on the supply of goods and services in Ukraine and on the import/export of goods and auxiliary services. Certain supplies are not subject to VAT (e.g. the issuance of securities, insurance services, payment of dividends, royalties and services (other than transport services) supplied outside Ukraine).</p> <p>VAT-exempt supplies include domestically produced baby food products, published periodicals, student notebooks, text books and books.</p> <p>A 7% VAT rate applies to supplies of pharmaceuticals and healthcare products. Exported goods and auxiliary services are zero-rated. For VAT purposes, services that are included in the customs value of imported/exported goods are considered auxiliary services.</p> <p>Registration – Registration is required (for residents and nonresidents) if turnover exceeds UAH 1 million during any rolling 12-month period. A legal entity may apply for voluntary registration if such registration is deemed necessary by the entity.</p> <p>VAT returns</p> <p>VAT payers must provide the report monthly until the 20th day of the month following the reporting month. Payment of VAT is made within 10 days from the end of the report's submission, that is, as a rule, up to and including the 30th day.</p> <p><i>Effective from 1 February 2015, Ukraine has switched to electronic VAT administration and introduced VAT accounts. On 1 July 2017, Ukraine introduced a system of automatic blocking of risk-bearing VAT invoices (what constitutes a risk factor is specifically determined in the legislation).</i></p>
Taxes on Individual Income		
Personnel Income Tax	18%	Both, residents and non-residents, are taxable at 18% personal income tax rate. In addition, such income is a subject to temporary military tax at 1.5% rate.
Military tax	1,5%	



Single Social Contribution	22%	<p><u>Taxpayers</u> The single social contribution is paid by the employers, private entrepreneurs, self-employed citizens.</p> <p><u>Rate</u> The single social contribution rate is established at 22%. However, the maximum taxable amount of the single social contribution shall not exceed 15 minimal wages.</p> <p><u>Tax base</u> The single social contribution is paid from wages and bonuses of employees as well as income of private entrepreneurs.</p>
Other Taxes		
Land Tax	Depends	The object of taxation for this tax is land plots owned or leased, as well as land shares that are owned. Land tax rates set by local councils. The rate of land tax depends on the category, location, and the existence of a state valuation for each particular land plot.
Environment Tax	0,012 eurocent/ t. CO2	<p><u>Taxpayers</u> The environmental tax is paid by individuals and legal entities, which carry out their activities on the territory of Ukraine.</p> <p><u>Rate</u> Rates of environmental tax are provided in the Tax Code of Ukraine for each type of substances.</p> <p><u>Tax base</u> The environmental tax is based on the amount and type of polluted substances that are released into the air or water objects in Ukraine during operational activities of legal entities.</p>
Excise Tax	Depends	<p><u>Tax payers</u> Excise tax is paid by individuals and legal entities, which:</p> <ul style="list-style-type: none">•manufacture excise goods on the customs territory of Ukraine, including from tolling raw materials;•import excise goods to the customs territory of Ukraine;•distribute excise goods or transfer them into ownership or use. <p><u>Rate</u> Excise tax rates are specified in the Tax Code of Ukraine for each type of excise goods.</p> <p><u>Tax base</u> The excise tax is levied upon excise goods, which include:</p> <ul style="list-style-type: none">•ethyl alcohol and other distillates, alcoholic drinks, beer;•tobacco products, tobacco and manufactured tobacco substitutes;•fuel;•cars, trailers and semi-trailers, body thereto, trailers, motorcycles, vehicles for transportation of 10 persons or more, vehicles for transportation of goods;•electricity, except for the distribution of electricity generated by qualified cogeneration units and / or renewable energy sources.



Real Estate Tax on Buildings	Depends	<u>Taxpayers</u> The real estate tax is paid by individuals and legal entities, including non-residents. <u>Rate</u> The amount of real estate tax on buildings is determined by the municipal authorities. However, the tax rate shall not exceed 1,5% of the minimal wage per 1 sq. m. of residential and non-residential property. The additional tax rate in the amount of UAH 25,000 is applied for apartments of more than 300 square meters and houses of more than 500 square meters. <u>Tax base</u> The real estate tax is paid per each sq. m. of residential and non-residential property. Owners of apartments of less than 60 sq. m. and houses less than 120 sq. m. (or houses and apartments with a total area of 180 sq. m.) are exempt from tax.
Real Estate Tax on Land plots	Depends	<u>Taxpayers</u> The real estate tax on land plots is paid by individuals and legal entities, including non-residents, which own or use such land plots. <u>Rate</u> The amount of real estate tax on land plots is determined by the municipal authorities. The rate shall not exceed 3% of the normative evaluation of a land plot and 1% for agricultural land plots of general use. For land plots, which are under permanent use by business entities, the rate shall not exceed 12% of the normative evaluation. <u>Tax base</u> The tax base is land plots in ownership or use.
Duties	Depends	In addition to the abovementioned taxes, the Tax Code of Ukraine provides for the following duties to be applied in Ukraine: customs duty, which includes: •import duty; •export duty; •seasonal duty; •specific kinds of duty: special, anti-dumping, countervailing, tourist duty; vehicle parking place duty. We also note that further to duties provided in the Tax Code of Ukraine, the state duty is charged in case of certain actions to be performed by the state authorities and their officials, such as for acts of public notary offices, public registration of civil acts, submission of legal claims, etc.

4.1. Double Taxation Treaties of Ukraine

Ukraine has signed more than 70 bilateral double taxation treaties with:

Country	Signing Date	Ratification Date	Date of Entry into Force
Algeria	4 Dec 2002	5 Jun 2003	1 Jul 2004
Armenia	14 May 1996	13 Sep 1996	19 Nov 1996
Austria	16 Oct 1997	17 Mar 1999	20 May 1999



Azerbaijan	30 July 1999	2 Mar 2000	3 July 2000
Belarus	24 Dec 1993	20 Dec 1994	30 Jan 1995
Belgium	20 May 1996	29 Oct 1996	25 Feb 1999
Brazil	16 Jan 2002	4 Jul 2002	24 Apr 2006
Bulgaria	20 Nov 1995	23 Apr 1996	3 Oct 1997
Canada	4 Mar 1996	12 Jul 1996	22 Aug 1996
China	14 Dec 1995	12 Jul 1996	18 Oct 1996
Croatia	10 Sep 1996	17 Mar 1999	1 Jun 1999
Czech Republic	30 Jun 1997	17 Mar 1999	20 Apr 1999
Cuba	27 Mar 2003	20 Nov 2003	
Cyprus	8 Nov 2012	4 Jul 2013	7 Aug 2013
Denmark	5 Mar 1996	12 Jul 1996	21 Aug 1996
Egypt	29 Mar 1997	17 Mar 1999	27 Feb 2002
Estonia	10 May 1996	13 Sep 1996	24 Dec 1996
Finland	14 Oct 1994	6 Oct 1995	14 Feb 1998
France	30 Jan 1997	3 Mar 1998	1 Nov 1999
Georgia	14 Feb 1997	17 Mar 1999	1 Apr 1999
Germany	3 Jul 1995	22 Nov 1995	4 Oct 1996
Greece	6 Nov 2000	29 May 2001	26 Sep 2003
Hungary	19 May 1995	23 Apr 1996	24 Jun 1996
Iceland	8 Nov 2006	3 Sep 2008	3 Sep 2008
India	7 Apr 1999	20 Sep 2001	31 Oct 2001
Indonesia	11 Apr 1996	29 Oct 1996	9 Nov 1998
Iran	22 May 1996	6 Dec 1996	21 Jul 2001
Ireland	19 Apr 2013	15 Jul 2015	17 Aug 2015
Israel	20 Nov 2003	16 Mar 2006	20 Apr 2006

Italy	26 Feb 1997	17 Mar 1999	25 Feb 2003
Japan*	18 Jan 1986	14 Mar 1988	14 Jun 1988
Jordan	30 Nov 2005	3 Sep 2008	23 Oct 2008
Kazakhstan	9 Jul 1996	15 Nov 1996	14 Apr 1997
Korea	29 Sept 1999	2 Feb 2002	19 Mar 2002



Kuwait	20 Jan 2003	19 Jun 2003	22 Feb 2004
Kyrgyzstan	16 Oct 1997	17 Mar 1997	1 May 1999
Latvia	21 Nov 1995	12 Jul 1996	21 Nov 1996
Lebanon	22 Apr 2002	19 Jun 2003	9 Sep 2003
Lithuania	23 Sep 1996	9 Dec 1997	25 Dec 1997
Luxembourg	6 Sep 1996	14 Mar 2017	18 Apr 2017
Libya	4 Nov 2008	18 Nov 2009	31 Jan 2010
Macedonia	2 Mar 1998	5 Nov 1998	23 Nov 1998
Malaysia*	31 Jul 1987	1 Jul 1988	1 Jul 1988
Malta	04 Sep 2013	13 Apr 2017	28 Aug 2017
Morocco	13 July 2007	18 Feb 2009	30 Mar 2009
Moldova	29 Aug 1995	23 Apr 1996	27 May 1996
Mongolia	1 Jul 2002	6 Mar 2003	6 Mar 2003
Montenegro**	22 Mar 2001	4 Oct 2001	29 Nov 2001
Mexico	23 Jan 2012	2 Oct 2012	6 Dec 2012
The Netherlands	24 Oct 1995	12 Jul 1996	2 Nov 1996
Norway	7 Mar 1996	12 Jun 1996	18 Sep 1996
Poland	12 Jan 1993	24 Mar 1994	24 Mar 1994
Portugal	9 Feb 2000	22 Mar 2001	11 Mar 2002
Pakistan	23 Dec 2008	18 Nov 2009	1 Jan 2012
Romania	29 Mar 1996	21 Oct 1997	17 Nov 1997
Russian Federation	8 Feb 1995	16 Oct 1995	3 Aug 1999
Serbia**	22 Mar 2001	4 Oct 2001	29 Nov 2001
Slovakia	23 Jan 1996	12 Jun 1996	22 Nov 1996
Saudi Arabia	2 Sep 2011	18 Sep 2012	1 Dec 2012
Slovenia	23 Apr 2003	21 Mar 2007	25 Apr 2007
Singapore	26 Jan 2007	22 Oct 2009	18 Dec 2009
South Africa	28 Aug 2003	4 Feb 2004	23 Dec 2004
Spain*	1 Mar 1985	7 Aug 1986	7 Aug 1986
Sweden	15 Aug 1995	23 Apr 1996	4 Jun 1996



Switzerland	30 Oct 2000	10 Jan 2001	26 Feb 2002
Syria	5 Jun 2003	4 Feb 2004	4 May 2004
Thailand	10 Mar 2004	23 Sep 2004	24 Nov 2004
Tajikistan	7 Sep 2002	5 May 2003	1 Jun 2003
Turkey	27 Nov 1996	16 Jan 1998	29 Apr 1998
Turkmenistan	29 Jan 1998	17 Mar 1999	21 Oct 1999
United Arab Emirates	22 Jan 2003	19 Jun 2003	9 Mar 2004
United Kingdom	10 Feb 1993	10 Aug 1993	11 Aug 1993
United States of America	4 Mar 1994	26 May 1995	5 Jun 2000
Uzbekistan	10 Nov 1994	2 Jun 1995	25 Jul 1995
Vietnam	8 Apr 1996	29 Oct 1996	19 Nov 1996