

# FLASH REPORT

Ukraine • 4  
12 March 2008

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This flash report is produced by  
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## Tax depreciation cost

As the end of the 1st quarter approaches, taxpayers should be aware of their ability to increase the net book value of fixed and intangible assets by 6.6%.

Under Ukrainian tax legislation, if the annual inflation rate is higher than 10%, taxpayers are allowed to increase the net book value of fixed and intangible assets. As the official annual inflation rate was 16.6% in 2007, the coefficient is 6.6%.

For example, the net book value of group 1 fixed assets (buildings and land plots) as of 1 January 2008 is USD 100 m.

	Without adjustment	With adjustment
Net book value of group 1 fixed assets	USD 100 m	USD 106.6 m
Annual depreciation costs for year 2008	USD 7,763 m	<b>USD 8,275 m</b>