

Flash Report

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Potential Tax Increase



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Potential changes to tax legislation

The Ukrainian Ministry of Finance has developed a draft of a law altering 13 tax laws. The overall impact of these changes (if implemented) will be a significant increase in the tax burden.

The proposed changes include:

- Annual 20% limitation for utilization of tax losses. If the losses are not utilized after five years, they will be lost.
- Disallowance of VAT credit on supplies from non-bona fide contractors.
- Registration of VAT invoices in e-registers as a compulsory requirement to credit input VAT.
- Significant increase of excise duty rates.
- Major increases in water tax, land tax and advertisement tax.

We are monitoring these developments and will keep you informed of the progress.