

Flash Report

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VAT bonds



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Procedure of issuing VAT bonds

Yesterday the Government has officially published the procedure for issuing VAT bonds in "Uryadovy Kurier" newspaper. The Government's Resolution is dated 12 May 2010 but it should become effective at the date of official publication.

The key provisions of the procedure are as follows:

- The bonds will cover all VAT refunds claimed prior to 1 May 2010. The refund must have been confirmed by the tax authorities by this date and included in the inventory register maintained by the tax authorities;
- Maturity period of VAT bonds is 5 years;
- VAT bonds will be redeemed twice a year in the amount of 10% of the bonds' nominal value;
- Interest on bonds is 5,5% p.a.;
- By 25 June 2010 the eligible entities should submit to the local tax authorities an application in the prescribed format for acquisition of the bonds;
- The procedure is voluntary, but it is expected that most eligible taxpayers will apply.

Please, do not hesitate to contact our Indirect Tax team if you require assistance with the procedure.

(The Resolution of the Cabinet of Ministers of Ukraine No. 638 dated 12 May 2010)