

Flash Report

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Draft Tax Code approved by the Government



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Draft Tax Code approved by the Government

The Cabinet of Ministers of Ukraine has officially approved the draft of the Tax Code. It will now be submitted to the Parliament in the coming weeks. Once adopted, the Tax Code will considerably alter taxation in Ukraine.

The draft is not publically available, but according to information that we have available at this time the draft envisages the following key changes to the legislation:

- Decrease in the rate of Corporate Profits Tax to 20% from 25% in 2011, and then an annual 1 percentage point reduction until 2014 when the rate will be 17% ;
- More favourable rules for tax depreciation;
- Significant investment incentives for specific industries, including limited tax holidays;
- Simplification of compliance rules;
- Cancellation of 12 state and 10 local taxes and charges

Officials expect the Tax Code to come into force from January 1st 2011.

We will continue to monitor the progress of this legislation. As soon as the draft is passed we will prepare a detailed summary. We will organise workshops for clients.