

Flash Report

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Changes to tax legislation



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The recently announced changes to tax legislation has been published and are now effective.

Corporate Profits Tax and Administrative Issues

1. Only 20% of tax losses accumulated at 1 January 2010 are deductible in 2010. The balance of losses are carried forward to 2011;
2. The rights of the tax authorities in respect of audits has been substantially expanded;
3. From 1 January 2011 taxpayers with annual revenue exceeding UAH 100 mn will be required to reconcile their tax and accounting profits and submit their financial reports to the tax authorities.

Value-Added Tax

1. Electronic filing is mandatory from 1 July 2010;
2. There are significant restrictions on utilization of the input VAT related to suppliers if the suppliers have not been paid.