

# Flash Report

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## **Tax compromise clarifications issued**

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## ***The tax authorities have issued Methodical recommendations\* regarding tax compromise***

On 17 January 2015 the State Fiscal Service issued methodical recommendations for tax compromise.

This document basically reflects the principal conditions for tax compromise, which were mentioned in our flash report #72 dated 30 December 2014.

The recommendations clarify certain provisions of the law, namely:

- 1) in addition to the tax return for tax compromise, a taxpayer should submit an explanation regarding the reasons for applying for tax compromise, which will be considered by the tax authorities;
- 2) if a taxpayer applies for tax compromise for tax obligations previously assessed by tax notification-decisions, the compromise is applicable only if the tax assessment complies with the general requirements indicated in the law. The tax authorities will have the right to reject the taxpayer's application on the tax compromise if such application does not comply with the requirements set by the law. However, the tax authorities are not obliged to substantiate the rejection of taxpayer's application.

Additionally, the methodical recommendations explain how to fill out the tax return.

We will continue to monitor the situation and keep you informed on any updates.

*\* "Methodical recommendations regarding peculiarities of adjustment of CPT and VAT liabilities in case of the tax compromise application" approved the Order of the State Fiscal Service of Ukraine dated 17 January 2015 No.13*