

# Flash Report

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## VAT Bonds



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### ***VAT refund through VAT bonds***

Yesterday the Ukrainian Parliament passed a law\* introducing an opportunity to apply for a VAT refund through issue of VAT bonds.

The key provisions are:

- The VAT bonds will cover VAT refunds claimed prior 1 January 2014.
- The taxpayers should apply for and receive VAT bonds before 31 December 2014.
- The maturity period is 5 years.
- The interest will apply (but the rate is not yet defined).

The issuing procedure of VAT bonds should be developed and approved by the Government in the near future.

The law will become effective after its publication. Importantly, VAT bonds are only available to VAT refunds confirmed during the tax audit procedure completed before the publication date.

We will continue monitoring this issue and keep you updated on further developments in this area.

*\*The Draft Law "On introduction of changes to the State Budget Law for 2014" No. 4575 dated 27 March 2014*