

# Flash Report

Ukraine • Issue# 17/2015 • 14 April 2015

## Temporary VAT exemption for medicines



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### ***Parliament approves a temporary VAT exemption for certain supplies of medical products***

Recently, the Parliament of Ukraine adopted the Law\* introducing a temporary VAT exemption until 31 March 2019 on **certain operations** with medicines and medical goods, which are performed based on agreements between specialised organisations involved in state procurement and the Ministry of Health of Ukraine.

In particular, this exemption should apply to the following transactions:

- Import and further first supply of registered medicines and medical goods;
- First supply of registered medicines and medical goods by Ukrainian producers;
- Supply (transfer) of the abovementioned medicines and medical goods within the healthcare system from state healthcare authorities/entities to customers (patients).

We stress that this VAT exemption is intended for the **execution of state healthcare programs**.

If signed by the President, the Law should become effective from the day following the day of its publication.

We will continue to monitor the situation and keep you updated on the issue.

*\*Draft Law No. 2151 dated 17 February 2015*