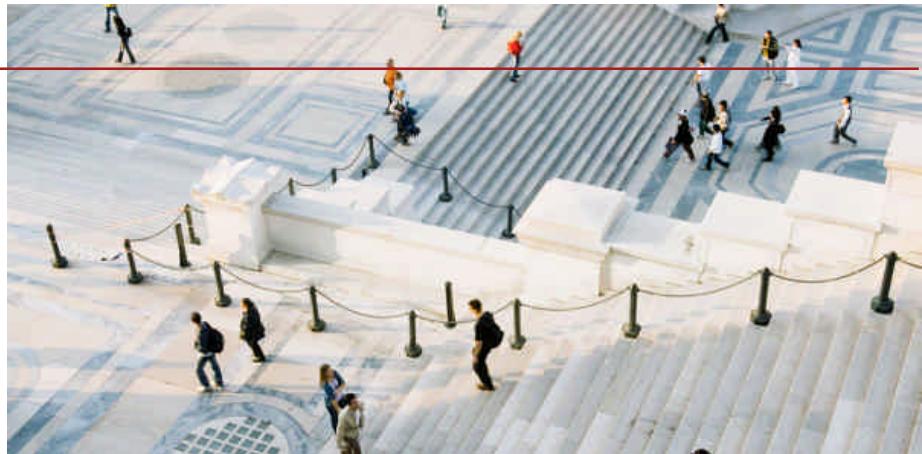


Flash Report

Ukraine • Issue 48/2013 • 25 October 2013

TP legislation: low tax jurisdictions



Contacts:

Ron Barden

Partner & TLS Leader
ron.j.barden@ua.pwc.com

Rob Shantz

Legal Partner
rob.shantz@ua.pwc.com

Slava Vlasov

Partner, Tax and Legal Services
slava.vlasov@ua.pwc.com

Olga Trifonova

Manager
Tax and Legal Services
olga.trifonova@ua.pwc.com

PwC Ukraine

75 Zhylyanska Street, Kyiv, 01032
Tel: +380 44 490 6777
Fax: +380 44 490 6738

www.pwc.com/ua

Definition of low tax jurisdiction amended

As anticipated, the definition of a "low tax jurisdiction" for transfer pricing purposes (identifying controlled transactions) has been changed by the Parliament of Ukraine.

A "low tax jurisdiction" will be a jurisdiction that has a corporate tax rate that is five (5) percentage points below the Ukrainian tax rate (i.e. 14% and less in 2013). This also applies if the taxpayer in a foreign jurisdiction pays corporate profit tax at a rate lower than the Ukrainian rate by five (5) percentage points.

The President is expected to sign this amendment.

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

Refer to Law No.2054a "On Changes to the Tax Code of Ukraine in respect of recording and registering taxpayers and improving certain provisions".

This flash report is produced by PricewaterhouseCoopers' tax and legal services department. The material contained in this alert is provided for general information purposes only and does not contain a comprehensive analysis of each item described. Before taking (or not taking) any action, readers should seek professional advice specific to their situation. No liability is accepted for acts or omissions taken in reliance upon the contents of this alert.

©2013 Limited liability company
«PricewaterhouseCoopers». All rights reserved. PwC
refers to the Ukrainian member firm, and may sometimes
refer to the PwC network. Each member firm is a separate
legal entity. Please see www.pwc.com/structure for further
details.