

Flash Report

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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

Svetlana Bilyk

Director
Tax and Legal Services
svetlana.bilyk@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

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The new definition of a low tax jurisdiction is one step closer to coming into force

On 8 November 2013 the President signed the law* that amends the definition of a low tax jurisdiction.

According to the law, a low tax jurisdiction is 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 is also the case for the taxpayer in a foreign jurisdiction, who applies a corporate profit tax rate on its profits lower by five (5) percentage points than the Ukrainian rate.

This provision of the law comes into force the day after the publication of the law.

** Law of Ukraine No. 657-VII "On Changes to the Tax Code of Ukraine in respect of recording and registering taxpayers and improving certain provisions"*