

Flash Report

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Amendments to taxation of securities



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Securities: new rules for corporate profits tax

The Verkhovna Rada of Ukraine has adopted the law #11285, which introduces a number of changes to taxation of securities. The changes will take effect on January 1, 2013 unless vetoed by the President of Ukraine.

Amongst other changes, the Law introduces new rules for taxing transactions with securities:

- Gains or losses will be computed by individual transactions but the taxable gain will be calculated on an aggregate basis
- Gains and losses will be calculated separately for stock exchange transactions and off-stock exchange transactions
- The aggregate taxable gain will be subject to the 10% corporate income tax and the aggregate loss will be carried forward
- The maximum loss carry forward period from off-stock exchange transactions with securities and derivatives is 3 years
- Existing accumulated tax losses as at 1 January 2013 from transactions with securities and derivatives will lapse. The cost of securities held at that date will be deducted in arriving at taxable gain when these securities are sold.