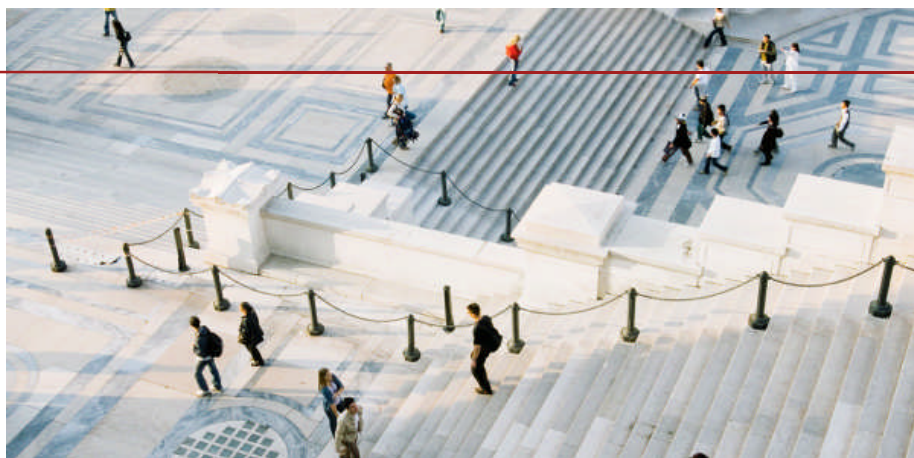


Flash Report

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The Budget Law for 2013



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President has signed the Budget Law for 2013

On 17 December 2012, the President signed the State Budget Law for 2013. The Law will become effective starting from 1 January 2013.

The subsistence minimum salaries set for able-bodied individuals increases to UAH 1,147 (USD 143.5*) from 1 January 2013, and further to UAH 1,218 (USD 152.4) from 1 December 2013.

The maximum monthly basis for the Unified Social Contribution (USC) is calculated as 17 subsistence minimum salaries above and amounts to UAH 19,499 (USD 2,439.5) from 1 January 2013, and further UAH 20,706 (USD 2,590.5) from 1 December 2013. As a result, USC will increase as follows.

- Employee's monthly USC (3.6%) will be:
 - from 1 January 2013 - min UAH 41.29 (USD 5.2) to max UAH 701.96 (USD 87.8);
 - from 1 December 2013 – min UAH 43.85 (USD 5.5) to max UAH 745.42 (USD 93.3).
- Employer's monthly USC (based on approximate 38% rate) will be:
 - from 1 January 2013 - min UAH 435.86 (USD 54.5) to max UAH 7,409.62 (USD 927);
 - from 1 December 2013 – min UAH 462.84 (USD 57.9) to max UAH 7,868.28 (USD 984.4).

** For converting amounts into USD we used the rounded exchange rate of 7.993 UAH per 1 USD set by the National Bank of Ukraine as of 17 December 2012.*