

# Flash Report

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## *Introduction of VAT on imported medicines*

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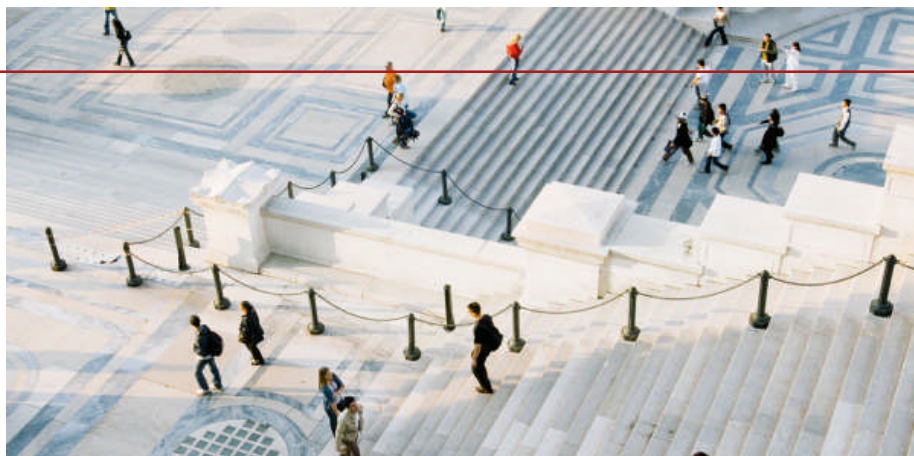
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## *Prime Minister suggests introducing VAT on imported drugs*

During a meeting on 05 March 2013 with Ukrainian drug distributors, Mr. Azarov, Prime Minister of Ukraine, proposed introducing VAT on imported medicines.

Mr. Azarov expects the major function of the tax will be the minimization of abusive practices, but not an increase of the tax burden or prices.

Introduction of such taxation may require restructuring current supply arrangements (due to pricing regulations), as well as significantly increase the administrative burden for the taxpayers.

We are not aware of any legislative initiative in this respect and will track further development of the issue.