

Flash Report

# Ukraine's Parliament ratified FATCA Agreement

30 October 2019



Strictly private and confidential

**On 29 October 2019 the Ukrainian Parliament ratified the Agreement between the Government of the United States of America and the Government of Ukraine to Improve International Tax Compliance and to Implement FATCA (“IGA”) <sup>1</sup>.**

The FATCA aims to reduce the opportunities for financial fraud and tax evasion and to promote better information exchanges between Ukraine and the United States.

The IGA shall enter into force on the date of Ukraine’s written notification to the United States that Ukraine has completed its necessary internal procedures for the entry into force of the IGA.

Still, to ensure the automatic exchange of information, amendments to the Tax Code of Ukraine and a few other laws need to be approved by the Parliament in the second reading <sup>2</sup>. Importantly, the proposed changes to the Ukrainian laws are prerequisites not just for FATCA, but also for introducing the automatic exchange of information in Ukraine under the Common Reporting Standard (“CRS”). CRS is an information standard for the automatic exchange of information regarding bank accounts on a global level, between tax authorities of the participating jurisdictions.

We are preparing a detailed overview of how the IGA will affect Ukraine’s business and will circulate our analysis shortly in one of our upcoming Tax Newsletters.

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<sup>1</sup> Draft Law №0001 “On ratification of the Intergovernmental Agreement between the Government of Ukraine and the Government of the United States of America to improve international tax compliance and to implement Foreign Account Tax Compliance Act”, which will come into effect after provision of the notification on ratification to the US

<sup>2</sup> Draft Law №2103 “On amendment of the Tax Code of Ukraine in connection with the ratification of the Agreement between the Government of Ukraine and the Government of the United States of America to improve international tax compliance and to implement Foreign Account Tax Compliance Act”, which will come into effect on the following day after publication of the Law.

Draft Law №2102 “On amendment of the selected Laws of Ukraine in connection with the ratification of the Agreement between the Government of Ukraine and the Government of the United States of America to improve international tax compliance and to implement Foreign Account Tax Compliance Act”, which will come into effect on the following day after publication of the Law.

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