

Flash Report

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Changes in VAT refund rules



Contacts:

Ron Barden

Partner & TLS Leader
ron.j.barden@ua.pwc.com

Slava Vlasov

Partner, Tax and Legal Services
slava.vlasov@ua.pwc.com

Rob Shantz

Head of Legal Services
rob.shantz@ua.pwc.com

Viktoriya Tymoshenko

Senior Manager
Tax and Legal Services
viktoriya.tymoshenko@ua.pwc.com

PwC Ukraine

75 Zhylyanska Street, Kyiv, 01032
Tel: +380 44 354 0404
Fax: +380 44 354 07 90

www.pwc.com/ua

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2015 VAT refund rules have changed again

Yesterday the President of Ukraine signed the Law* introducing important changes to the Tax Code in respect of VAT refund rules.

The main amendments effective since 1 January 2015 are as follows:

- The current procedure for a general and automatic VAT refund will continue to apply.
- The VAT refund will be payable in cash only. If taxpayers decide not to claim cash VAT refund, they should be able to carry forward the respective VAT receivable as a VAT credit for the next period.
- One of the criteria for automatic VAT refund has been changed. In order to qualify for an automatic VAT refund, the taxpayer should have non-current assets with a book value exceeding 3 times the amount of VAT claimed for the refund (previously it was 12).

We will continue to monitor the situation and keep you updated on the issue.

**The Law "On introduction of amendments to the Tax Code of Ukraine regarding improvement of taxation of investment activity" # 1690-VII dated 7 October 2014*