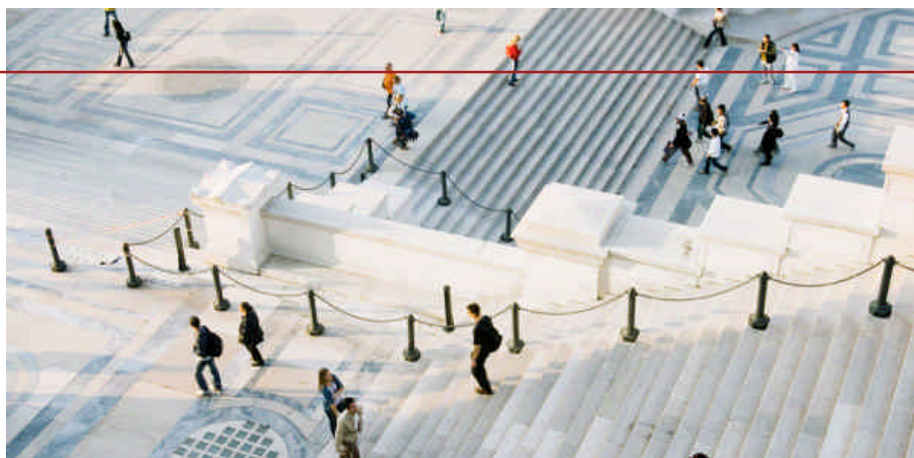


# Flash Report

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## More changes in Transfer Pricing



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### Parliament passes major changes in Transfer Pricing legislation

In addition to Flash report #70 as of 25 December 2014, please be informed that on Sunday, Parliament passed the Draft Law\* changing the Tax Code of Ukraine on transfer pricing (“TP”) regulation.

Although the final text of the Draft Law is not available yet, according to government officials the main additional changes introduced in the Draft Law after the first reading are as follows:

- Transitional provisions related to certain types of commodities in transactions with low-tax jurisdictions are excluded (para. 21 of subsection 10 “Other transitional provisions”, within section XX “Transitional provisions”).
- The comparable uncontrolled price (CUP) method should be applied for cross-border transactions with commodities having stock exchange quotations.
- Penalties for non-inclusion of controlled transactions in the TP report are increased to 5% from 1% (the maximum of 100 minimum wages will not apply).

If signed by the President, the Draft Law should enter into force the day after its official publication.

We will update you further when the text becomes available.

*\*The Draft Law “On changes to the Tax Code Of Ukraine in respect of improvement of the tax control on transfer pricing” No. 1264-1 dated 22 December 2014. For the details refer to our Flash report #70 as of 25 December 2014.*