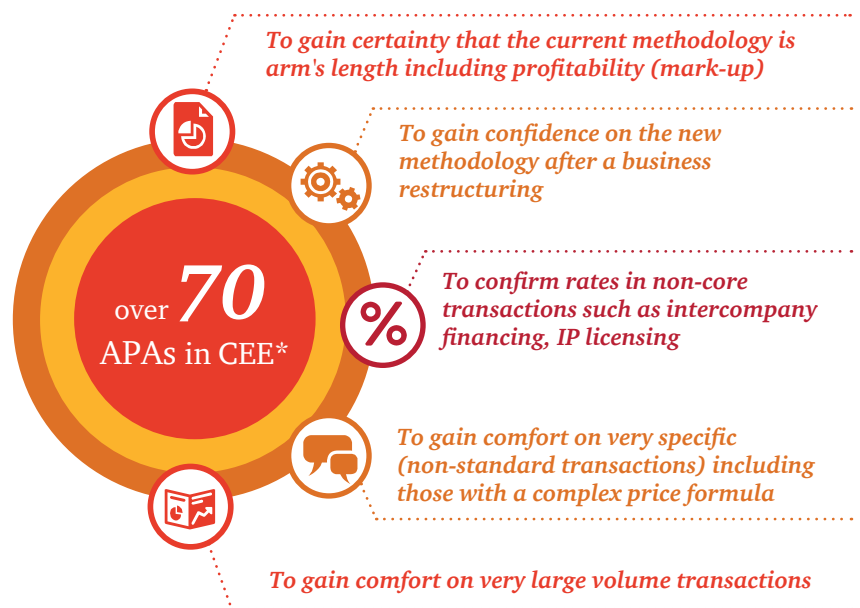




When is it worth considering an Advanced Pricing Agreement?

Recently the Cabinet of Ministers of Ukraine issued procedures for signing Advance Pricing Agreements (APAs) between businesses and the tax authorities for transfer pricing purposes. Now large taxpayers can agree with the tax office in advance what pricing methodology is acceptable for transactions that are subject to Ukrainian transfer pricing rules. Once agreed, this methodology cannot be challenged by the tax office, if the business strictly follows the agreement.

Although the new rules sound attractive, businesses need to understand the potential risks and exposures involved and make calculated decisions if it is worth signing such agreements. PwC has recently assisted businesses in Central & Eastern Europe to negotiate more than 70 such agreements, and we welcome businesses to discuss with us our experience.



Transactions of our CEE* Clients concluding APAs

1. Manufacturing
2. Distribution
3. Provision of services
4. Lease of assets
5. Intercompany loans
6. Royalties

* CEE – Central and Eastern Europe

Major industries in which we have relevant experience in CEE*



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