

Ukraine - Indirect tax guide

Explore the requirements and rules that apply to indirect taxes in Australia.

General

Type of indirect tax: VAT

Standard rate: 20 percent

What supplies are liable to the standard rate?

Any form of supply that is made for consideration in the course or furtherance of an enterprise, is connected with Ukraine and is provided by an entity that is either registered or required to be registered; except for zero-rated, reduced-rated, exempted, and untaxed supplies.

Are there any reduced rates, zero- rates or exemptions and if so, what do they apply to?

7% reduced rate is applied to supplies of medicines and medical devices listed in the decisions of the Government of Ukraine. VAT-free (zero-rated) supplies include

exports of goods and some listed services. Some goods are temporarily exempt, however:

- export of soybeans (until 31 December 2021);
- export of winter cress seeds and rapeseeds (from 1 January 2020 until 31 December 2021); and
- import of electro cars (until 31 December 2022) etc.

Input taxed (exempt) supplies include financial supplies, export of services etc.; import/ export of goods equal or less than EUR150; and events conducted by charitable and not-for-profit entities (e.g., fundraising). From 2020, VAT-free (zero rate) applies to export supplies of telecommunications services, which are now exempted under the general rule.

VAT registration

Who is required to register and what is the threshold?

An entity that is carrying on an enterprise whose VAT turnover exceeded UAH1,000,000 for any preceding 12 calendar months period (excluding VAT). Non-profit and charitable bodies are not required to be registered.

Is voluntary registration possible?

Yes, provided you 'carry on an enterprise'.

Is voluntary registration available for an overseas company or a fiscal representative?

Yes, provided you 'carry on an enterprise'.

VAT compliance

What is the typical frequency of returns?

Usually, monthly, before 20th of a next month following the reporting.

The taxpayers of the Uniform (Simplified) Tax can elect quarterly lodgment.

VAT recovery

Are there any items that a registered business cannot recover VAT on?

An entity cannot recover VAT on acquisitions of a private or domestic nature; acquisitions that relate to making input taxed (exempt) supplies, e.g. financial supplies (although there are exceptions to this rule) etc.

Can an overseas company recover VAT if it is not registered?

No.

How long does it typically take to obtain a VAT refund following a return filing?

If all required information has been provided to, and lodgments are up-to-date with, the taxation and treasury authorities will generally process refunds within two months (subject to any delays resulting from compliance audit or review activities).

Налоговые накладные

Are there specific requirements for the content of invoices to be considered valid for VAT purposes?

Yes, within several days after registration as a VAT payer each VAT payer is automatically assigned an e-VAT account used for settlements with the state (treasury) budget. The e-VAT account is also used for e-registration of VAT invoices issued by a supplier to a recipient. Among other requirements, the VAT invoice should broadly contain the

supplier's identity and Ukrainian VAT Number; the recipient's identity and Ukrainian VAT Number (for registered VAT payers); a description of the supply; the date the invoice was issued and the invoice number; the amount of VAT payable etc. The VAT invoice must be e-registered with the e-VAT account of supplier and satisfy the requirements in order to allow for a claim for input tax credits by a recipient.

Special indirect tax rules

Does a reverse charge or indirect tax withholding mechanism apply?

Yes, a reverse charge mechanism is mandatory for import of services by a VAT registered resident recipient or by any legal entity in case of non-registered VAT payer. The reverse charge mechanism does not apply if a nonresident service supplier has a permanent establishment registered as a VAT payer in

Ukraine. In this case, the branch of the nonresident service supplier is in charge of assessing VAT liabilities, offsetting them against the input VAT, and transferring the positive difference to the state (treasury) budget.

There is no indirect tax withholding mechanism in Ukraine.

Rulings

Is it possible to apply for formal or informal advance rulings from the tax authority?

Yes, an entity may apply for a private binding

ruling to the tax authority or apply generalized tax rulings of the Ministry of Finance of Ukraine. Informal rulings are not issued.

Other indirect taxes

Are there any other indirect taxes that apply in the jurisdiction?

Other indirect taxes include the following:

- customs duty
- state duty, including property tax (land tax, other real estate tax, luxury car tax), stamp

- local duty, including parking tax, tourist tax etc.
- excise duty (e.g. on fuel, alcohol, and tobacco).

Jurisdiction	Ukraine	Jurisdiction	Ukraine
Type of indirect tax	VAT	Typical frequency of returns	Monthly or quarterly
Standard rate	20%	Typical time taken to obtain a refund	Up to 69 days
Reduced rates, zero rates or exemptions	Reduced rate (7% - for medicine and medical products); zero-rated supplies; exempt supplies	Does a reverse charge or indirect tax withholding mechanism apply?	Yes, reverse charge
Is voluntary registration possible for an overseas company?	No	Is it possible to apply for formal or informal advance rulings from the tax authority?	Yes, formal private tax ruling
		Is e invoicing allowed?	Yes
Source: KPMG International 2019			

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All information within this guide is provided by KPMG professionals in Ukraine and based on information available as of September 2019.