

UKRAINE TAX RATES 2018

| VAT | | | |
|---|--|---|--|
| Standard rate | | Reduced rate | |
| 20% | | 7 % VAT applies to pharmaceuticals and healthcare products. Exported goods and services VAT 0%. Not subject for VAT: issues of securities, insurance services, reorganizations of legal entities, transfers and returns of property under operating lease arrangements, currency exchange and imports with a customs value of less than 150 EURO. | |
| Corporate income tax | | | |
| Standard rate | Reduced rate | Special arrangements | Tax exemptions |
| 18% on profit before taxes determined under the rules of national accounting standards (or IFRS where applicable) and adjusted for a list of differences which increase or decrease the profit for the purpose of CIT. Companies with annual net income less than 20 mln. UAH may apply accounting profit for taxation without adjustments. | Certain types of businesses are subject to special tax treatment which may provide for lower tax rates. (for instance insurance companies at 3% of revenue) | Simplified taxation for self-employed and legal entities with annual revue up to UAH 5 million with 3-5% unified tax on revenue, depends on field of activity, VAT taxpayer status, annual revenue, average salaries amounts, etc. | Small companies with annual net operating income less than 3 mln. UAH and with average salary paid to employees exceeding 2 minimum wages (7446 UAH) and meet certain criteria are exempt from CIT until 1-st of January 2022. |
| Withholding taxes | | | |
| Dividends | Interest | Royalties & Service Fee | Capital gains |
| Dividends resident CIT taxpayer to another resident legal entity exempt of CIT | 15% (if accrued to non-resident) | 15% (if accrued to non-resident). 20% can be applied to some types of income. | Capital gains are treated as ordinary income and taxed under regular corporate income tax rate. |
| Taxes on workforce | | | |
| Social contributions for employee | Social contributions for employer | Personal income tax for employee | Tax exemptions |
| No | 22% social tax, but not less than 819,06 UAH (22% of minimum wage). The tax base is also limited to 55 845 UAH (minimum wage*15). | 18% flat rate for residents and non-residents 1,5% of military duty | No |
| Personal income tax on capital gains | | | |
| Real estate | | Dividends and interests | |
| Income from the first during the year sale of residential property which was owned not less than 3 years is tax-exempt. In other cases the rate is 5%. Some specific conditions apply for inheritance and gifts. | | Dividends received by residents and non-residents taxed at 5% (9% if legal entity is not CIT payer) 18% for other passive income. | |
| Land tax | | | |
| Object | Tax rate | | |
| Land | The sales of lands with certain maximum area are tax-exempt. For other sales of lands the rate is 5%. Some specific conditions apply for inheritance and gifts. | | |