

# Financial Assistance for Ukrainian Subsidiaries

## Additional Contributions by Company Shareholders

- ✓ Not subject to income tax
- ✓ Respective changes to the charter shall be entered into the State Register (if the amounts of shares are indicated in the charter)
- ✓ Only permitted once all the company shareholders have paid their contributions in full
- ✓ If the funds are repaid in the form of dividends, such payments to the non-resident are subject to income tax

## Debt-to-Equity Swap

- ✓ Not subject to income tax
- ✓ Respective changes to the charter shall be entered into the State Register (if the amounts of shares are indicated in the charter)
- ✓ An effective means of avoiding negative equity, as well as maintaining the ratio of company's net assets to its authorized capital

## Financial Assistance Provided by Company Shareholders

### 1 Interest-bearing loans

- ✓ Not subject to income tax
- ✓ Parties to the loan agreement are free to define the interest rate, the loan amount and term
- ✓ The NBU to be notified (by the Ukrainian servicing bank) ahead of the loan receipt
- ✓ The servicing bank is entitled to request additional documents in case of discrepancy between the interest rate under the loan agreement and market conditions

### 2 Interest-free loans

- ✓ Not subject to income tax
- ✓ Parties to the loan agreement are free to define the loan amount and term
- ✓ The NBU to be notified (by the Ukrainian servicing bank) ahead of the loan receipt

### 3 Non-repayable financial assistance

- ✓ Subject to income tax
- ✓ Parties to the agreement are free to define the assistance amount and term
- ✓ No requirement for the funds to be repaid