

Representative office of a foreign company in Ukraine

Introduction

1. Types of representative offices
2. Stages of representative office registration
3. Documents required for registration
4. Service card and temporary residence permit

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A representative office of a foreign company/firm is an institution that represents the interests of a foreign business entity in Ukraine and has the duly formalised powers to do so.

A representative office is not a legal entity and does not carry out business activities on its own; in all cases, it acts on behalf and on instructions of a non-resident and solely in its interests.

1. Types of representative offices of a foreign company

Ukrainian law provides for two types of foreign representative offices:

- a permanent representative office that carries out business activities and makes a profit;
- a non-permanent representative office that performs a representative function and receives funds intended to ensure its activities and representative functions only from its foreign parent company.

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2. Stages of representative office registration

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Registration of a foreign representative office in Ukraine is carried out in two stages:

- 1) registration with the Ministry of Economy of Ukraine.
- 2) placement of the representative office on the register with the local authorities (statistical office, tax and customs authorities).

3. Documents required for registration of a representative office

In order to register a representative office of a foreign company in Ukraine, the following documents must be prepared and submitted:

1. an application for a representative office registration, which may be drawn up in any form on the company's letterhead and signed by the head of the representative office. The application must contain the following information:

- name, country of origin, location of the foreign business entity;
- telephone and fax numbers;
- the city in which the representative office is to be opened, indicating its future location (address);
- location (cities) of additional branches, if any;
- number of foreign citizens to be employed at the representative office;
- date of establishment of the foreign business entity;
- legal form, field of activity and number of employees of the foreign business entity;
- name of the bank and the account number of the foreign business entity;
- the purpose of opening of the representative office and its area of activity, information on business ties with Ukrainian partners and prospects for cooperation.

2. an extract from the trade (bank) register of the country of location of the officially registered head management body of the foreign business entity;

3. a certificate from the bank where an account of the foreign business entity is opened;

4. a power of attorney for the director of the Ukrainian representative office to act on behalf of the company;

5. minutes on the establishment of a representative office in Ukraine and appointment of the head/director of the representative office;

6. passport and taxpayer registration card of the head/director of the representative office;

7. lease agreement for the legal address of the representative office.

If the documents comply with the applicable laws of Ukraine, the Ministry of Economy (MinEconomy) prepares a letter to the company requesting payment of the administrative fee, which currently amounts to UAH 2,684 (approximately USD 70). Upon payment of the administrative fee, the documents are registered with the MinEconomy and in 20 working days the applicant receives a Certificate of Registration of a Representative Office.

After registration with the MinEconomy and receipt of the representative office registration certificate, the authorised representative must apply to the State Statistics Service and the State Tax Service of Ukraine within 10 days and register the representative office with these authorities.

If a representative office is engaged in foreign economic activity and imports goods into the territory of Ukraine, it shall be accredited by the State Customs Service of Ukraine.

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All documents drawn up in foreign languages must be translated into Ukrainian and legalised, with the accuracy of the translation notarised in accordance with the established procedure. It should also be noted that the documents must be submitted to the MinEconomy of Ukraine within 6 months from the date of their issuance in the country of the foreign company's location.

4. Service card and temporary residence permit

Under Ukrainian law, employees of a representative office are not required to obtain a work permit. Instead, each foreign employee must be issued a service card by the MinEconomy of Ukraine. The number of foreign employees is indicated in the representative office registration certificate.

Foreign employees of a representative office are a separate category of foreigners who are issued a temporary residence permit by the Migration Service of Ukraine. Such a residence permit is issued for a 1-year period even if an employee's service card is valid for a longer period. The documents serving as the basis for obtaining a temporary residence permit in Ukraine are the relevant request (application) of a foreign company's representative office in Ukraine and the representative office registration certificate.