

Terms for application of 7% VAT rate drugs

30 March 2015 the State Fiscal Service of Ukraine in its letter No. 6490/6/99-99-19-03-0275 clarified matters relating to VAT rate for transactions on supply and import of drugs into the territory of Ukraine.

It was stated that in order to apply 7% VAT rate the drugs should be:

- approved for production and use in Ukraine; and/or
- included in the State Register of Drugs.

In the event neither of the abovementioned conditions is satisfied during the transaction on supply and import of drugs into the territory of Ukraine, such transaction shall be subject to 20% VAT rate.