

Calculation of income tax for permanent representative offices

On 27 July 2016, the Order of the Ministry of Finance No. 544 dated 13 June 2016 concerning the Procedure for calculation of income tax of non-residents which have permanent representative offices on the territory of Ukraine became effective.

Thus, Procedure stipulates that a non-resident, which performs its activities in Ukraine and abroad and does not specify amount of its income from activities in Ukraine obtained via permanent representative office in Ukraine, shall specify the amount of income taxable in Ukraine on the basis of a separate balance sheet of commercial activities approved by the controlling authority at the place of such permanent representative office.

In its Order the Ministry of Finance of Ukraine also approved a template form for calculation of income of a non-resident, which performs its activities on the territory of Ukraine via a permanent representative office, on the basis of a separate balance sheet of commercial activities, and a template form for calculation of income of a permanent representative office of non-resident determined by way of application of a coefficient of 0.7 to the amount of income.