

Business Tax Relief in Ukraine due to COVID-19 outbreak

On 18 March 2020, the Law On Amendments to the Tax Code of Ukraine and Other Laws of Ukraine on Taxpayers Support for the Period of Measures to Prevent the Occurrence and Spread of Coronavirus Disease (COVID-19) came into force and effect.

This Law introduces, inter alia, the following supportive measures:

- exemption from penalties for the violations of tax legislation committed for the period from 1 March to 30 April 2020, except for the penalties for: violations of the requirements to long-term life insurance or non-state pension insurance contracts, in particular a supplementary pension insurance agreement; alienation of property subject to tax lien without a controlling body consent; violation of the rules for accounting, production and circulation of fuel or ethanol in excise warehouses to be applied on a general basis; violation of charge, declaration and payment of VAT, excise tax, and rent;
- the moratorium on documentary and actual tax audits for the period from 18 March to 31 May 2020. An exception relates to documentary unscheduled audits as to budgetary VAT charge;
- fee for land (land tax and rent for the state and communal property land) is neither charged, nor paid for the period from 1 March to 30 April 2020 in respect of the land owned or used, including on a rental basis, by individuals or legal entities in their business activities;
- the deadline for filing an annual declaration of wealth and income is extended to 1 July 2020;
- the deadlines for mandatory use of cash registers are postponed to 1 August 2020 (instead of 19 April). It is also envisaged to postpone mandatory use of cash registers in respect of single tax payers engaged in certain activities from 1 October 2020 to 1 January 2021, and for all other single tax payers from 1 January 2021 to 1 April 2021. The transition period as to applying penalties for not using cash registers (10% for the first violation and 50% for the second and subsequent ones) is also extended to 1 January 2021;
- all individual entrepreneurs, and persons engaged in an independent professional activity, and farm members are temporarily exempt for the periods from 1 March to 31 March and from 1 April to 30 April 2020 from the charge and payment of a single social contribution (SSC) for themselves;
- temporarily, for the periods from 1 March to 31 March and from 1 April to 30 April 2020, no penalties are imposed for the following violations: late payment (late transfer) of a single social contribution (SSC); incomplete payment or late payment of single social contribution (SSC) simultaneously with the payments, on which such a single social contribution is charged (advance payments); untimely submission of reports and statements;
- employees will be paid, for a period of stay in specialized health care facilities, and in self-isolation under control in connection with the

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- measures aimed at preventing the occurrence and spread of coronavirus disease, a temporary disability (hospital) allowance amounting to 50 percent of an average wage (income), notwithstanding the length of service;
- it is forbidden to raise an interest rate on the already granted loans for the period from 1 March to 31 May 2020;
 - no sanctions will be imposed for failing to timely repay a loan, as well as the interests, as accrued thereon, for the period from 1 March to 30 April 2020;
 - non-residential real estate, as owned by individuals or legal entities, is not subject to tax on real estate other than land for the period from 1 March to 30 April 2020.