

List of low-tax jurisdictions has been updated in Ukraine

By Resolution No. 295 dated back to 11 April 2018, the Cabinet of Ministers of Ukraine excluded Bulgaria from the list of the states transactions with the residents of which were deemed to be controlled. The list of the states transactions with the residents of which are subject to control is laid down in Resolution of the Cabinet of Ministers of Ukraine No. 1045 dated back to 27 December 2017 On approval of the list of states (territories) meeting the criteria set out in subpara. 39.2.1.2 of subpara. 39.2.1 of para. 39.2 of Article 39 of the Tax Code of Ukraine.

In particular, the list approved by the government includes those countries with which Ukraine has not entered into international treaties containing provisions on the exchange of tax information. Moreover, on 7 March 2018, Resolution of the Cabinet of Ministers of Ukraine No. 108 dated back to 31 January 2018 which provides for excluding Georgia, Estonia, Latvia, Malta and Hungary from that list entered into force.

According to the Tax Code of Ukraine, business transactions of a taxpayer are deemed to be controlled if they may affect the income that is subject to income tax payable by the taxpayer, in particular:

business transactions with non-resident related persons;

foreign economic transactions for the sale and/or purchase of goods and/or services through non-resident commission agents;

business transactions with non-residents, registered in the states (territories) included in the list of states (territories) approved by the Cabinet of Ministers of Ukraine or who are residents of these states;

business transactions with non-residents not paying income (corporate) tax, including tax on income received outside of the state of registration of such non-residents, and/or who are not tax residents of the state they are registered in as legal entities. The list of legal forms of such non-residents in the context of the states (territories) is to be approved by the Cabinet of Ministers of Ukraine.