

UA VAT guide

This guide is an overview of the UA's Value Added Tax ("VAT") system, focussed on how it affects foreign businesses trading with the UA. It is general in nature and unlikely to cover the specifics of your scenario. It should be read as such and not be construed as advice. For advice as to how your business is affected by UA VAT, please contact a Kreston UA VAT specialist.



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Ukraine

Tax name	VAT — Value Added Tax
Tax authority	State Tax Service of Ukraine
Tax type	An indirect tax that is included in the price of goods (works, services) and is paid by the buyer, but its accounting and transfer to the state budget is carried out by the seller (tax agent).
Tax base	Taxable benefits: VAT is added to the value of supplies of goods and services where the 'place of supply' is the Ukraine.
VAT rates	Tax rate: 20%: default (standard) rate; 14%: reduced rate; 7%: reduced rate; 0%: zero rate.
	14%: reduced rate; Sales and purchases of some agricultural products such as: <ul style="list-style-type: none"> • wheat; • corn; • etc.
	7%: reduced rate; <ul style="list-style-type: none"> • Medicines, medical supplies; • Service for temporary accommodation; • Cultural services.
	0%: zero rate e.g. <ul style="list-style-type: none"> • Exports • Supply of goods: for refueling or provision of sea and air vessels; • Providing any of the following services: international transportation of passengers and luggage and cargo by rail, road, sea and river and air transport; • Services involving work with movable property; • Services for maintenance of aircrafts performing international flights.
	Exempt from VAT e.g. <ul style="list-style-type: none"> • Issuance of securities; • Insurance; • Supply of goods by an extracurricular educational institution; • Supply of baby food products; • Children's education and training; • Some health care services.

Format of VAT registration numbers	360014336583
Registration limit, if any	For UA established businesses — 1 000 000 UAH For non-UA established businesses — 1 000 000 UAH
UA place of supply	<p>A supply goods or services that takes place in the UA. Special rules for services, when the recipient of services is registered as a business entity or, in the absence of such a place, the place of permanent or primary residence</p> <ul style="list-style-type: none"> • Provision of intellectual property rights; • Advertising services; • Consulting, engineering, engineering, legal (including attorney), accounting, auditing, actuarial, as well as software development and testing services; • Providing for rent, leasing of movable property, except vehicles and bank safes; • Telecommunication services; • Provision of transport and forwarding services. <p>Also, special rules for services, the place of supply of electronic services is considered to be the location of the service recipient.</p>
VAT return submission deadlines	monthly
Late-registration penalties, if enforceable	<p>Yes — Penalties and VAT are to be charged</p> <ul style="list-style-type: none"> • VAT (it is responsible for non-calculation and non-payment of VAT and without the right to have a tax credit and receive budget compensation); • Penalties (for legal entities of Ukraine — 1,020 UAH for repeated violations — 2,040 UAH; <p>for foreign legal entities (non-residents) — 100,000 UAH).</p>
Whether there are any penalties arising from other events	<p>Yes — penalties are charged for:</p> <ul style="list-style-type: none"> • VAT return errors; • late submission or payment.
Whether there is any recovery of VAT paid by overseas businesses?	No, there's not any.
Billing event	Tax invoicing is done when supplying goods and services in UAH. Therefore, the tax payer — the seller of goods/services is obliged to draw up a tax invoice within the established terms and register it in the Unified Register of Tax Invoices (URTI) and provide it to the buyer at his request.
Other	A special taxation regime is introduced under martial law.