



ATLAS

BY BNP PARIBAS

CASH MANAGEMENT

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Ukraine is a country rich in both natural and business resources. The country has a diverse economy with significant sectors including, but not limited to, heavy industry, power generation, and agriculture.

Ukraine had a population of approximately 41 million people in 2021. However, this number is subject to change due to the full Russian invasion in 2022, and the figure has been halved for 2024.

Ukrainian GDP was \$152bn in 2020. In 2022, it fell by almost 30% due to Russia's full-scale invasion. However, in 2023, economic growth exceeded expectations, with the National Bank of Ukraine (NBU) estimating an annual real GDP growth rate of 5.7%. The intensity and duration of the Russian aggression remain major sources of uncertainty for forecasts. Even with the assumption that the war will wind down by the end of 2024, Ukraine's real GDP is only expected to reach its pre-war level by 2030. Over the last decade, Ukraine's economy has experienced fluctuations, with significant growth in some years and declines in others. The average real GDP growth was 3.1% over the last decade, with a nominal GDP of USD 159 billion in 2022.

Ukraine is the new market for multinational volunteer organisations: highlighting their interest in participating in projects for airports construction/reconstruction, hospitals construction, projects related to water supply systems and land irrigation, as well as renewable energy source (RES) projects. The sectors most affected include housing, transport, commerce and industry, agriculture, and energy.

Ukraine is relatively rich in mineral resources (coal, iron ore, uranium) and enjoys significant agricultural potential.

The country has experienced several political and economic crises over the past fifteen years. In 2013 - 2014, a political shift towards the West was followed by a loss of control over the Crimean peninsula and military conflict with Russia-backed separatists in the Eastern territories. The economy has recovered from the deep recession of 2013-2015 but remained quite fragile. The Ukrainian economy faced significant challenges due to the full-scale invasion by Russia in 2022. Still, growth is expected to continue in the coming years, with forecasts predicting a growth rate above 4%. The war has had a profound impact on Ukraine's productive capacity and infrastructure, with the total cost of reconstruction and recovery estimated at USD 486 billion over the next decade. The direct damage as of the end of 2023 was measured at USD 152 billion. The war has also led to significant human capital losses, with more than 6.4 million Ukrainian refugees registered worldwide and close to 3.7 million internally displaced people.

In 2024, Ukraine's economy is expected to grow by 3.0%, down from the 5.3% growth seen in 2023. The government has been working on securing external financing to support the economy, with a significant aid package from the EU reinforcing this effort. The NBU has been managing the exchange rate cautiously, with substantial foreign exchange interventions to stabilise the hryvnia (UAH). Overall, while the Ukrainian economy has shown resilience and signs of recovery, the road to full recovery remains long and uncertain, heavily dependent on the duration and intensity of the ongoing conflict.

Summary

BNP Paribas presence

BNP Paribas's subsidiary UKRSIBBANK has a long history in Ukraine, with the 3rd largest branch network in the country. The bank has a business center in Kyiv, and direct access to the local clearing system, serving the cash and trade management requirements of both local and multinational corporations. UKRSIBBANK BNP Paribas is a universal bank that follows a balanced development strategy in retail and corporate banking. UKRSIBBANK is the bank which 470+ International companies choose Ukraine for business activity. Over 100 of these companies use credit facilities (MNC credit portfolio has outstanding a loan-book size over USD 450 million, ~90% of which is drawn in Local Currency).

Currency

Currency

- Ukrainian hryvnia (UAH).

Exchange rates

	2020	2021	2022	2023	2024
Exchange rate:	26.96	27.29	32.34	36.57	44.00
UAH per USD					

Source: NBU, September 2024.

Central Bank

- The Ukrainian central bank is the National Bank of Ukraine (NBU - National Bank of Ukraine).

Bank supervision

- Ukrainian banks are supervised by the Banking Supervision Department within the NBU.

Bank accounts

Resident / non-resident status

- A company is considered resident in Ukraine if it is incorporated in Ukraine.

Bank accounts for resident entities

	Within UKRAINE	Outside UKRAINE
Local Currency	Permitted, convertible when an obligation to a non-resident exists	Not permitted
Foreign Currency	Permitted	Permitted

Bank accounts for non-resident entities

	Within UKRAINE	Outside UKRAINE
Local Currency	Permitted, convertible	Not permitted
Foreign Currency	Permitted, convertible	Not applicable

Lifting fees

- Lifting fees are not applied on payments between resident and non-resident bank accounts.

BNP Paribas Cash Management Capabilities

Collections

Cash collections	
Cheque collections	
Direct debit collections	
Domestic incoming transfers	
Virtual IBAN	
Virtual accounts	
International incoming transfers	
Card acquiring	

Payments

Cash withdrawals	
Cheque payments	
Direct debit payments	
Domestic outgoing transfers	
Commercial cards	
Virtual cards	
International outgoing transfers	

SWIFT gpi	✓
Real-time international payments through BNP Paribas' network	●
Card issuing	✓

Channels

Local e-Banking	✓
Global e-Banking - Connexis	✓
SWIFT/ host to host	✓

Payments & collections

Market overview

- This trend has positioned Ukraine among the top 10. The National Bank of Ukraine (NBU) operates the System of Electronic Payments (SEP), which processes the majority of interbank payments in the national currency, the hryvnia. SEP is a real-time gross settlement system that operates 24/7.
- Despite the increasing popularity of digital payment methods, cash remains a significant mode of transaction, making up around 60% of transactions. Cards, particularly those issued by Mastercard and Visa, are widely used, with a growing trend towards cashless payments, and contactless payments also becoming increasingly popular.
- There is no national electronic banking standard in Ukraine, so companies use banks' proprietary services. Domestic companies primarily use the Client-Bank system for balance reporting and transaction initiation. BankID, is a system of remote identification, allowing users to access banking and commercial services via the internet. Thirty-nine banks participate in the scheme.
- The NBU is committed to fostering financial inclusion by making payment services more accessible to underserved populations, including those in rural areas. Overall, the NBU's plans for 2024-2027 reflect a comprehensive approach to modernise Ukraine's payment system, with a focus on innovation, security, and inclusivity.

- BankID, is a system of remote identification, which allows users to access banking and commercial services via the internet. Fifteen banks and 23 non-banks participate in the scheme.
- Online and mobile banking services are provided by Ukraine's leading banks. The NBU has introduced standards for the use of QR codes to initiate credit transfers.

Payment Systems

SEP	Type SEP 4.0	<ul style="list-style-type: none"> • Real-time gross settlement.
	Participants	<ul style="list-style-type: none"> • 62 banks, the NBU, and the State Treasury.
	Transaction types processed	<ul style="list-style-type: none"> • UAH denominated credit transfers and direct debits.
	Operating hours	<ul style="list-style-type: none"> • 24/7.
	Clearing cycle details (e.g. cut off times)	<ul style="list-style-type: none"> • Payments can be processed in both real-time mode and batch mode. • Paper-based payment instructions are truncated into electronic items before being processed via SEP. • Transactions processed in real-time mode are settled in real time. Transactions processed in batch-mode are processed and settled continuously within 15 to 20 minutes.
	System holidays	<ul style="list-style-type: none"> • The system operates seven days a week.

Credit transfers

- Credit transfers are used by companies to pay salaries and suppliers.
- Paper-based and electronic credit transfers are both available. Electronic credit transfers are typically used by companies.
- Credit transfers can be settled on a same-day basis via SEP.
- Cross-border transfers can be made via SWIFT and settled through correspondent banks and/or bank branch networks abroad.

Direct debits

- Direct debits are used for regular payments, such as utility payments. Their usage is limited.
- Direct debits are settled on a same-day basis via SEP.

Cheques

N/A in Ukraine.

Card payments

- Card payments in Ukraine have seen significant growth and development in recent years. The NBU has been actively working to enhance the digital payment infrastructure and promote cashless transactions. One of the key developments is the widespread use of NFC (Near Field Communication) gadgets for contactless payments. According to Mastercard, six out of ten contactless payments in Ukraine are made using digital devices.
- This trend has positioned Ukraine among the top ten countries globally for the number of payment NFC payments with Mastercard digital cards.
- The NBU has imposed certain limits on card payments abroad. Despite these restrictions, the overall adoption of digital payments continues to grow.
- In 2023, the number of payment card transactions exceeded 7.9 million. The number of contactless cards in circulation also saw a substantial rise, increasing from 23.9 million in 2020 to 75.3 million in 2023, at a compound annual growth rate (CAGR) of 33.2%.
- The PROSTIR National Payment System is the national card system. Mostly government organisations use PROSTIR cards for their employees.
- PROSTIR-branded payment cards, Visa and MasterCard-branded payment cards are the most widely issued. American Express and UnionPay credit cards are also available.

ATM/POS

- This trend has positioned Ukraine among the top 10 of 2022, there are a total of 28,279 ATMs in Ukraine. Many of them are equipped with features like braille keyboards and connectors for headphones, ensuring accessibility for people with disabilities.
- The Power Banking Project is a network of standby banks that can operate autonomously during power outages. This project ensures stability and reliability for regular bank branches to continue serving customers even in the event of prolonged blackouts.
- As of the latest data, there are approximately 460,070 POS terminals in the country, the number is expected to grow further.

Electronic wallet

- Electronic wallets, or eWallets, have been gaining popularity in Ukraine, transforming the way people conduct transactions.

- The rise of eWallets in Ukraine is part of a broader trend towards digital payments. Despite the country's historical reliance on cash, there has been a noticeable shift towards cashless transactions.
- Mobile wallet apps include Apple Pay and Google Pay are available. Adoption of mobile wallet payments is very high.
- Electronic money in Ukraine has seen significant developments in recent years, particularly with the introduction of the e-hryvnia by the NBU.

Short term investments

Market overview

Interest payable on credit balances

- Interest-bearing current accounts are permitted.

Demand deposits

- Demand deposits are available in UAH, EUR or USD.

Time deposits

- Time deposits are available in UAH, EUR or USD for terms of three, six and nine months and one year.

Certificates of deposit

- Domestic banks and the NBU issue certificates of deposit.

Treasury (government) bills

- The Ministry of Finance issues treasury bills via regular auctions held by the NBU with terms of three, six, nine months and one year.

Commercial paper

- Commercial paper is not issued in Ukraine.

Money market funds

- Money market funds are available.

Repurchase agreements

- Repurchase agreements made on government securities are available.

Bankers' acceptances

- These are not used in Ukraine.

BNP Paribas Trade Finance Capabilities

Trade payments

Documentary credits	✓
Documentary collections	✓

Guarantees

Bank guarantees	✓
Standby letters of credit	✓

Supply chain management

Receivables	●
Payables	●

Inventory	●
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Trade channels

Connexis Trade	●
Connexis Supply Chain	●
SWIFTNet Trade for Corporates	●
Connexis Connect	●
Connexis Guarantee	●
SWIFTnet Supply Chain	●

- Please contact your BNP Paribas Global Trade Solutions (GTS) relationship manager for more information.

International trade

General trade rules

- As an associate member of Independent States (CIS), Ukraine is a signatory to the CIS Free Trade Area (CISFTA) agreement alongside Armenia, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan and Uzbekistan. To date, the treaty has been ratified in Armenia, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Ukraine and Uzbekistan. The CISFTA between Ukraine and Russia has been suspended since 1 January 2016; Ukraine's other CISFTA agreements remain in effect.

Trade agreements

- Ukraine has signed free trade agreements with the EU, European Free Trade Association (EFTA) member states, Georgia, Macedonia, Montenegro, Georgia, Azerbaijan, Uzbekistan, Tajikistan, Turkmenistan.
- The Ukraine has a bilateral investment treaty with the USA.
- Ukraine has several free trade and strategic partnership agreements. Some notable agreements include:

Political, Free Trade and Strategic Partnership Agreement with the United Kingdom: This agreement was signed in 2020 and has been amended multiple times, including in 2024.

Free Trade Agreement with Turkey: This agreement has been under negotiation for several years and was finally signed, strengthening the economic partnership between the two countries.

- Additionally, Ukraine is actively working on new agreements, such as a historic 100-year partnership agreement with the United Kingdom.

Imports / exports

Imports	Refined petroleum	Petroleum gasCars	Petroleum gas	Packaged medicaments	Broadcast equipment	
Import sources	Poland (17.1%)	China (12.4%)	Germany (8.51%)	Turkey (6,17%)	Hungary (3.92%)	Germany (8.51%)
Exports	Corn	Seed oils	Wheat	Iron ore	Rape seed	
Export markets	Poland (14.2%)	Romania (8.37%)	Turkey (6.42%)	China (5.52%)	Germany (5.15%)	Hungary (4.85%)

Import / export volumes

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Trade finance - Imports

Documentation

The following documentation is required in order to import goods into Ukraine:

- customs declaration
- commercial invoice
- bill of lading
- certificate of origin.

Import licences

- Import licences are required for items subject to international export controls.

Import taxes and tariffs

- Ukraine operates three categories of tariffs: imports from countries with which Ukraine has established free trade agreements/preferential trade agreements; imports from countries with MFN status; and imports from all other countries.
- Customs duties average 5%.

- A VAT rate of 20% is levied on most imports.
- Excise duties are also set on certain imports. Excise tax on all types of tobacco products and tobacco waste, will increase by 20 each year by 2025.

Financing requirements

- The NBU has set specific deadlines for the settlement of import transactions. As of the latest updates, the settlement deadlines for import transactions have been extended from 90 to 180 calendar days. This extension aims to support Ukrainian businesses amid supply chain disruptions.

Risk mitigation

- None.

Prohibited imports

- Specific imports are prohibited in order to protect fauna and flora, for health and safety or moral reasons, and/or for national security.

Trade finance - Exports

Documentation

The following documentation is required in order to export goods from Ukraine:

- customs declaration
- commercial invoice
- bill of lading
- packing list
- certificate of origin.

Export licences

- Export licences with quotas are required for certain commodities such as alcohol, scrap metal and coal.

Export taxes and tariffs

- Tariffs are set on sunflower seeds, farm animals, skins and hides.

Financing requirements

- None.

Risk mitigation

- Ukreximbank, the Ukraine's national export credit agency, provides state-supported export credit.
- Export credit insurance and financing are available from private companies.

Prohibited exports

- Prohibited exports are published on a negative list.

Regulatory requirements

Reporting regulations

- All transactions relating to foreign trade are collected in surveys by the State Statistics Service.
- All transactions between residents and non-residents must be reported for balance of payment purposes.

Reporting method

- Reports are submitted quarterly to the NBU.

- Banks submit reports on behalf of their customers, although the resident entity is ultimately responsible for compliance.

Exchange controls

- Foreign exchange control: The NBU has issued Resolution No. 18 on the operation of the banking system under martial law declared on 24 February 2022, which specifies rules and restrictions while martial law is in effect. Other NBU regulations continue to apply unless they contradict Resolution No. 18.
- In general, only local currency may be used in business transactions between residents. Foreign currency may be used in cross-border transactions between residents and non-residents. Due to martial law, only certain types of foreign currency transfer transactions abroad are allowed, such as:
 - Payments related to the import of goods (products), services, works, intellectual property rights, and other nonproperty rights intended for sale (payment transfer);
 - Operations to return an advance payment to a nonresident;
 - Payments related to business entities carrying out cargo transportation in international connections on the basis of documents granting the right to carry out international transportation;
 - The transfer of funds for the purpose of paying interest payments on a credit (loan) received by a resident legal entity (borrower) from a nonresident under a credit agreement (loan agreement) concluded between them, subject to compliance with certain specific conditions;
 - The transfer of funds by a resident legal entity to the accounts of its own branches, representative offices, and other separate divisions without creating a legal entity, and opened abroad only for the purpose of financing activities and within certain limits of payment;
 - Payments of insurance benefits;
 - And: the transfer of funds by e-residents (see “Residence” under “Individual taxation,” below) to their own foreign accounts if such transfers are made from funds received from nonresidents after paying taxes and without using an electronic means of payment.
- Foreign exchange transactions with a price below UAH 400,000 are not subject to foreign exchange controls. The settlement period for export and import transactions with a price exceeding UAH 400,000 is 180 days.
- Fund transfers from Ukraine to certain non-residents are limited to EUR 2 million annually for legal entities and individual entrepreneurs, and to UAH 100,000 (approximately EUR 2,500) monthly for individuals. The EUR 2 million limit does not apply to transactions involving the transfer of funds by resident legal entities to the accounts of their branches, representative offices, and other separate divisions that do not have a legal entity established abroad. However, the EUR 2 million limit does apply if a legal entity is established in a jurisdiction:
 - Defined as a “low tax jurisdiction” by the Cabinet of Ministers of Ukraine (CMU);
 - Recognised as an “aggressor state” by Ukraine’s parliament (Verkhovna Rada); or

- That does not implement or improperly implements the recommendations of international, intergovernmental organizations involved in the fight against money laundering, terrorist financing, or financing that facilitates the proliferation of weapons of mass destruction.

Accounting principles/financial statements: Ukrainian accounting standards generally are in line with IFRS. Financial statements must be prepared on a quarterly basis. Joint stock companies, banks and insurance companies, and large private companies that meet certain revenue, asset value, and headcount criteria must prepare financial statements in compliance with IFRS. Other companies may opt to prepare financial statements in compliance with local GAAP or IFRS.

Principal business entities: These are the limited liability company, private and public joint stock company, non-commercial representative office, and permanent establishment (PE) of a foreign corporation.

Taxation

Resident / non-resident

- A legal entity incorporated and operating under Ukrainian law generally is treated as a tax resident; a legal entity incorporated abroad and operating under the laws of another jurisdiction generally is treated as a nonresident.
- A foreign company that has its place of effective management in Ukraine may apply to become a Ukrainian tax resident.
- A resident company (unless it is a foreign company that has opted to be tax resident in Ukraine based on its place of effective management (see “Residence,” above)) is taxed on its worldwide income received or accrued (depending on the type of income) within the reporting period. A foreign company that has opted to be tax resident in Ukraine based on its place of effective management will not be subject to tax in Ukraine on its foreign income.
- A non-resident company is taxable on business income derived from carrying out trade or business activities in Ukraine and other non-business income received from Ukrainian sources. A representative office or a PE of a non-resident company in Ukraine is treated as a separate entity for tax purposes and is taxed in the same way as a subsidiary.
- Non-residents acting in accordance with the conditions of international agreements on providing technical and humanitarian aid that are registered with the Ministry for Development of Economy, Trade and Agriculture of Ukraine are not subject to tax and may conduct economic activities in Ukraine without registration.
- Taxable income is calculated based on accounting data by adjusting profit (loss) before tax by the amount of book/tax differences. Taxpayers with income (excluding indirect taxes) not exceeding UAH 40 million may calculate taxable income based only on accounting data, without any adjustments for

book/tax differences (except for losses carried forward from previous periods).

- An individual's tax residence is determined as follows:
 - (i) an individual is tax resident in Ukraine if they have a permanent home only in Ukraine;
 - (ii) where an individual has a permanent home in more than one jurisdiction, they are considered tax resident in Ukraine if they have closer personal and economic ties with Ukraine (i.e., their center of vital interest is in Ukraine);
 - (iii) where it is impossible to determine residence under either of the preceding tests, an individual will be deemed to be tax resident in Ukraine where present in Ukraine for at least 183 days cumulatively during a calendar year (counting both the day of arrival and the day of departure); and (iv) where tax residence still cannot be determined, the individual will be deemed tax resident if they are a Ukrainian national.
- As from 1 April 2023, individual nonresidents may obtain e-resident status in Ukraine to carry out entrepreneurial activity and pay taxes in Ukraine.

Financial instruments

- Income arising from the trading of securities and derivatives (futures and forward contracts, options) is calculated based on the pooling method, with tax accounting for such income maintained separately from the other operating income of a taxpayer.
- A taxpayer must separate various types of securities, as well as fund and commodity derivatives, into classes. Taxable income for each class is determined as a net profit calculated as total proceeds from selling each class, less the total cost of acquiring each class of securities/derivatives. Losses incurred in one class may not offset gains from another class. Income arising from the trading of securities and derivatives may be offset by losses from ordinary activities.

Interest and financing costs

- Interest and financing costs are generally tax deductible, provided that they have been incurred in the course of running business activities taking account of transfer pricing and thin capitalisation rules.

Foreign exchange

- Foreign exchange gains and losses arising on debts are to be taxed, for corporate income tax purposes, in accordance with financial accounting principles.

Advance tax ruling availability

- Ukrainian taxpayers may apply for an advance tax ruling from the tax authorities. However, such tax rulings are not binding and may subsequently be changed and repealed by the tax authorities or in court.
- A taxpayer who followed a tax ruling that was thereafter changed or repealed may not be penalised in the event the ruling is appealed for the period from the date of the ruling to the date of repeal.
- Additional tax liabilities could still accrue.

Capital gains tax

- The taxation of capital gains depends on the source of the gains. Gains are included in taxable income (see “Taxable income”). Gains derived from the sale of movable property are subject to a 5% tax rate. Gains derived from the first sale of a motor vehicle during the year are exempt from tax. Subsequent sales of motor vehicles by the same person will be subject to tax at a rate of 5%.
- Gains from the sale of a house, apartment (or part thereof), room, or village house (including a land plot) are exempt from tax if only one such sale takes place during the year and the owner has held legal title for at least three years before the sale (the three-year ownership period does not apply to inherited property). Gains are taxed at a rate of 5% where the taxpayer makes more than one such sale per year.
- Gains from the sale of immovable property are subject to a tax rate of 18% where the sale is of a third (sometimes second) and any subsequent immovable property over the course of one year (except residential property, the ownership of which is transferred to a bank in a foreclosure procedure under a mortgage agreement that secures a foreign currency loan). Documented acquisition costs are deductible when calculating the taxable gain. Gains from the sale of inherited immovable property are taxed at a rate of 5% where the sale is of a third and any subsequent inherited immovable property over the course of one year.

Withholding tax (subject to tax treaties)

Payments to:	Interest	Dividends	Royalties	Other income
Resident entities	None	None	None	None
Non-resident entities	0%/5%/15%	15%	15%	15%

1. A 5% withholding tax generally is levied on interest paid to non-residents on loans made to Ukrainian residents from qualifying Eurobond issuance proceeds.
2. A 6% withholding tax is levied on freight charges. Withholding tax rates of up to 12% apply on insurance payments to non-residents. A 15% withholding tax is imposed on income received by non-

resident companies from the indirect transfer of shares of Ukrainian asset-rich companies.

3. There is no branch profits tax specifically imposed in the corporate income tax section of the tax code, and the Ukrainian tax authorities generally agree that no tax should be withheld if there is a tax treaty between the country of the head office of the branch and Ukraine.

Tax treaties / tax information exchange agreements (TIEAs)

- Ukraine has more than 73 tax treaties.
- The OECD MLI entered into force for Ukraine on 1 December 2019.
- Ukraine is a signatory of a multilateral co-operation agreement (the MCAA). Under this multilateral agreement, information will be exchanged between tax administrations, giving them a single, global picture on some key indicators of economic activity within multinational enterprises (MNE).
- Ukrainian parent entities controlling an NE group, or entities that are part of MNE groups, whose consolidated income is greater than EUR 750 million in the year preceding the reporting fiscal year, are required to make this annual CbC report. The first reports must be made for the financial year ending in 2021.
- With country-by-country reporting, tax administrations of jurisdictions where a company operates will have aggregate information annually relating to the global allocation of income and taxes paid, together with other indicators of the location of economic activity within the MNE group. It will also cover information about which entities do business in a particular jurisdiction and the business activities each entity engages in. The information will be collected by the country of residence of the MNE group, and will then be exchanged through exchange of information supported by such agreements as the MCAA.

Thin capitalisation

- Thin capitalisation rules apply to loan transactions with non-resident related parties where the debt-to-equity ratio exceeds 3.5:1. The deduction for interest paid on loans exceeding this ratio is limited to 50% of profits before tax (plus the amount of interest expense and accounting depreciation) in a specific tax period.
- Interest not deducted in the current tax period may be carried forward and deducted in future periods, but the balance carried forward is reduced annually by 5% of the interest amount, until the interest is fully deducted.

Transfer pricing

- The transfer pricing rules generally are based on the OECD transfer pricing guidelines. The rules apply to taxpayers with annual revenue (less indirect taxes) exceeding UAH 150 million that carry out the following controlled transactions exceeding UAH 10 million with one counterparty:
- Transactions with non-resident related parties;

- Sales or purchases of goods and services under non-resident commission arrangements;
- Transactions with related parties (one of which is a non-resident) through one or more unrelated intermediaries that do not perform significant functions;
- Transaction with non-residents in blacklist countries (i.e. countries with a corporate tax rate at least 5% lower than the rate in Ukraine or countries that have not concluded an agreement with and exchange of information provision with Ukraine);
- Transactions with non-residents in specified legal forms (to be included on a list that will be issued by the Cabinet of Ministers of Ukraine CMU)) that do not pay corporate tax or are not tax residents of the country where they are registered.
- The transfer pricing rules provide for five transfer pricing methods:
 - Comparable uncontrolled price method;
 - Resale price method;
 - Cost-plus method;
 - Transactional net margin method; and
 - Profit-split method.
- The reporting period for transfer pricing purposes is the calendar year. Taxpayers must submit a report on controlled transactions by 1 October and the other transfer pricing documentation within one month of a request by the tax authorities.

Stamp duty

- Stamp duty of 1% applies on certain real estate and commodity exchange transactions.

Cash pooling

- Ukraine's effective legislation does not provide for special taxation rules in respect of cash pooling arrangements. Cross-border cash pooling is very difficult to implement in Ukraine due to strict currency control restrictions. Notional cash pooling (i.e. without real movement of funds between the accounts) should be feasible.

Financial transactions / Banking services tax

- There is no special banking services tax in Ukraine. Most banking operations are VAT exempt.
- There is a 2% charge for purchases of foreign currency as an obligatory state pension insurance duty.

All tax information supplied by Deloitte Touche Tohmatsu and Deloitte Highlight 2021 (www.deloitte.com).



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