

March 17, 2020

## Tax measures aimed at supporting businesses during the financial crisis caused by the COVID-19 outbreak

**On March 17, 2020, the Verkhovna Rada of Ukraine adopted the Draft Law on Amendments to the Tax Code of Ukraine (the “TCU”) and other laws of Ukraine to support taxpayers in the course of taking measures aimed at preventing the occurrence and spread of Coronavirus (COVID-19).**

The law takes effect from the day following the day of its publication.

The law provides for the following measures:

- Non-application of penalties for violations of tax laws committed during the period from March 1 until May 31, 2020 (except for some exceptions). Please note that taxpayers are exempt from imposition of punitive sanctions (fines and penalties), but outstanding tax liabilities shall be payable.
- Non-application of penalties for violations committed by taxpayers during the period from March 1 until May 31, 2020.
- Placing a moratorium on documentary and actual tax audits for the period from March 18 until May 31, 2020. Please note that the moratorium does not extend to verifying the lawfulness of the value added tax claimed for refunds or the negative value of the value added tax.
- Suspension of documentary and actual tax audits until May 31, 2020, for inspections commenced before March 18, 2020, which have not yet been completed.
- The statute of limitations for holding taxpayers liable for violations of tax laws is suspended for the period from March 18 until May 31, 2020.
- The term for filing asset and income declarations for 2019 is extended until July 1, 2020. The term for payment of the declared individual income tax for 2019 is extended until October 1, 2020.
- Abolition of land tax on land plots and lease payments for state- or municipally-owned land plots that are owned or used by individuals or legal entities for the period from March 1 until April 30, 2020.
- Abolition of tax on immovable property other than land plots for the period from March 1 until April 30, 2020, with respect to non-residential property owned by individuals or legal entities.
- Exemption of individual entrepreneurs (including single tax payers), persons pursuing independent professional activity and farmers from payment of the single social contribution for the period from March 1 until April 30, 2020. In addition, such unpaid periods shall be included in the length of pensionable service of such persons.

- Non-application of punitive sanctions (fines and penalties as provided for by law) for violations during the period from March 1 until April 30, 2020, due to:
  - (i) late payment (transfer) of the single social contribution; and/or
  - (ii) incomplete (or late) payment of the single social contribution simultaneously with withdrawal of the amount of payments on which the single social contribution is assessed; and/or
  - (iii) late filing of reporting with respect to the single social contribution.
- Placing a moratorium on documentary audits of the correctness of assessment, calculation and payment of the single social contribution for the period from March 18 until May 18, 2020, while audits with respect to the single social contribution that were commenced but not completed by March 18, 2020, shall be suspended until May 18, 2020.
- Changes as to the mandatory use of payment transactions recorders (PTR) (in particular, postponement of the term set for mandatory use of PTRs). Provision of temporary incapacity allowance to persons staying in specialized healthcare facilities as well as in self-isolation under medical supervision in connection with measures aimed at preventing the occurrence and spread of COVID-19, as well as preventing the escalation and elimination of disease outbreaks and epidemics.

## Your Key Contacts



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