



Report name	Issued recommendations	Execution status
Systemic report "Administering taxes paid by business"	<p>The Ministry of Finance of Ukraine and the State Tax Service of Ukraine - to develop and submit for approval, while the Cabinet of Ministers of Ukraine - to approve (i) draft amendments to the Procedure for Maintaining the Unified Register of Tax Invoices, approved by the Cabinet of Ministers of Ukraine Resolution, dated December 29, 2010 No. 1246; or (ii) a separate legislative act governing practical implementation of the rule set forth in paragraph 13 of Clause 201.10 of Article 201 of the TCU. Such amendments should introduce procedure enabling taxpayers to approach tax authority with the statement/application that TI/AC lodged for registration was not processed in the due time and enclose relevant evidence thereto. Having reviewed such statement/application, tax authority should, within reasonable time, issue a conclusion, constituting ground for making corrections with the URTI (so that the date when TI was proved to have been lodged for registration would be specified as the date of its actual registration).</p> <p>Cabinet of Ministers of Ukraine State Tax Service of Ukraine Ministry of Finance</p>	Not started - new recommendation
	<p>The Ministry of Finance of Ukraine and the State Tax Service of Ukraine - if necessary, to develop and submit to the Cabinet of Ministers of Ukraine, and the Cabinet of Ministers of Ukraine - to submit to the Verkhovna Rada of Ukraine the Draft law of Ukraine introducing amendments to paragraph 73 of subsection 2 of section XX "Transitional Provisions" of the TCU, by replacing in the first paragraph and in the second paragraph words and figures "prior to December 31, 2019" with words "prior to entry into force of the Law of Ukraine" On Introducing Amendments to the Tax Code Ukraine Aimed at Improving Tax Administration and Elimination of Technical and Logical Inconsistencies in Tax Legislation".</p> <p>Cabinet of Ministers of Ukraine State Tax Service of Ukraine Ministry of Finance</p>	Not started - new recommendation
	<p>The Ministry of Finance of Ukraine and/or the State Tax Service of Ukraine - if necessary, to develop and submit to the Cabinet of Ministers of Ukraine, and the Cabinet of Ministers of Ukraine - to submit to the Verkhovna Rada of Ukraine the Draft law of Ukraine introducing amendments to Article 120-1 of the TCU providing that, while determining basis for imposing the fine, an absolute value (module) of the amount of VAT in the TI/AC shall be employed.</p> <p>Cabinet of Ministers of Ukraine State Tax Service of Ukraine Ministry of Finance</p>	Not started - new recommendation
	<p>The Ministry of Finance of Ukraine and the State Tax Service of Ukraine - to develop and submit for the approval of the Cabinet of Ministers of Ukraine, while the Cabinet of Ministers of Ukraine - to submit to the Verkhovna Rada of Ukraine the Draft law of Ukraine introducing amendments to Article 120-1 of the TCU. Such amendments should provide that if taxpayer is subjected to penalty (financial sanction) foreseen by Article 123 of the TCU due to accrual by tax authority of VAT liabilities or reduction of the amount of VAT refund due under particular transaction related to supply of goods/services - penalties provided for in paragraph two of this paragraph and clause 120-1.1 of this Article shall not apply to such a taxpayer. Alternatively, amendments may be introduced to clause 201.10 of Article 201 of the TCU, where a special period for registration of TI / AC in case of accrual of VAT liability by tax authority could be specified, starting from the date when the respective VAT obligation acquires "agreed" status.</p> <p>Cabinet of Ministers of Ukraine State Tax Service of Ukraine Ministry of Finance</p>	Not started - new recommendation

Report name	Issued recommendations	Execution status
	<p>To undertake all required measures (including organizational and technical), which will ensure:</p> <ul style="list-style-type: none"> • Restoring SEA VAT indicators of those VAT payers whose registration had been annulled and subsequently renewed, without the need for the taxpayers to go to courts requesting restoration of such indicators. • Transferring SEA VAT indicators from one VAT payer to another in case of corporate reorganization, without the need for taxpayers to go to courts requesting transfer of such indicators. • Saving SEA VAT indicators in case of closure and opening new e-account in the SEA VAT (except for certain cases when such indicators should not be saved, if such cases are clearly stipulated by the law). • Implementing court decisions obliging STS/SFS (their regional bodies) to adjust the registration limit and/or other indicators of VAT payers in the SEA. The STS should be able to promptly correct indicators in the SEA manually, based on an internal document (order, the working group conclusion, etc.) issued by respective officials. The implementation of court decisions should be ensured within a reasonable time-limit upon their entry into force (within the period not exceeding 1 month), provided that the court decision was sent by the court to the STS/SFS (its regional authority) or handed over to their representative. <p>If it is necessary to implement foregoing recommendations - to develop and submit to the Cabinet of Ministers of Ukraine, while the Cabinet of Ministers of Ukraine - to approve draft amendments to the Procedure No.569 and/or other delegated legislative acts. Cabinet of Ministers of Ukraine State Tax Service of Ukraine Ministry of Finance</p>	Not started - new recommendation
	<p>To undertake all required measures (including organizational and technical), which will ensure implementation of court decisions obliging to release VAT payers' registration limits or funds on e-accounts in the SEA. Such court decisions should be implemented within a reasonable period of time upon their entry into force (not exceeding 10 calendar days), provided the court decision was sent to the STS/SFS (its regional authority) or handed over to its representative.</p> <p>If it is necessary to implement foregoing recommendations - to develop and submit to the Cabinet of Ministers of Ukraine, while the Cabinet of Ministers of Ukraine - to approve draft amendments to the Procedure No.569 and/or other delegated legislative acts. Cabinet of Ministers of Ukraine State Tax Service of Ukraine Ministry of Finance</p>	Not started - new recommendation
	<p>To issue a letter of explanation binding for all regional tax authorities (or another similar document, such as methodological guidelines, internal procedure of the STS, etc.), and/or, if necessary, to develop and submit for approval to the Cabinet of Ministers of Ukraine (while the Cabinet of Ministers of Ukraine - to approve) a package of amendments to the Procedure No. 1165 to:</p> <ol style="list-style-type: none"> 1) Refine and specify list of instances, when taxpayers should be qualified as those which match clause 8 of taxpayers' risk criteria set forth in Annex 1 to the Procedure No.1165 (in particular, it should be specified that this clause can be used only in case of signs of sham business transactions in regard of which a taxpayer issued TIs/ACs to buyers - VAT payers, thus enabling the latter to form a VAT tax credit at the expense of probably "sham" VAT or transfer an allegedly "sham" VAT to third parties); 2) Establish minimal standards of substantiation (justification) of decisions evidencing adherence of a taxpayer to risk criteria. It should be clearly stated that such decisions must include at least the following information: <ul style="list-style-type: none"> • exact sources of tax information used; • what business transactions are risky, with indication of names of counterparties and their Tax IDs; types of business transactions; codes of types of goods or services; • reference to specific signs evidencing risky nature of such business transactions. 3) Determine that decisions of regional level commissions on adherence to risk criteria and on rejection of taxpayers' data tables can be appealed by taxpayers with the STS in accordance with Article 56 of the TCU, and such appeals should be considered under the Procedure No.916, unless a special procedure of their consideration is established by law. Cabinet of Ministers of Ukraine State Tax Service of Ukraine Ministry of Finance 	Not started - new recommendation
	<p>The State Tax Service of Ukraine and the Ministry of Finance of Ukraine - to develop and submit to the Cabinet of Ministers of Ukraine, while the Cabinet of Ministers of Ukraine - to submit to the Verkhovna Rada of Ukraine the Draft Law of Ukraine introducing amendments to Clause 56.23 of Article 56 of the TCU to directly foresee the possibility of appeal of decisions on adherence with risk criteria and on rejection of taxpayers' data tables in accordance with the procedure set forth in that Clause. After introduction of such amendments to the TCU, - the Procedure No. 1165 should be amended accordingly. Cabinet of Ministers of Ukraine State Tax Service of Ukraine Ministry of Finance</p>	Not started - new recommendation

Report name	Issued recommendations	Execution status
	<p>The State Tax Service of Ukraine and the Ministry of Finance of Ukraine - to develop and submit for approval to the Cabinet of Ministers of Ukraine, while the Cabinet of Ministers of Ukraine - to approve draft amendments to the Procedure No. 1165 and/or Procedure No. 1246, which would introduce a deadline within which suspended TI/AC must be registered with the URTI in accordance with the court decision. Such a term should be reasonable (to allow the STS to ensure its strict following) and should not exceed 15 calendar days from the date when the court decision enters into force. After such amendments entered into force, all episodes of missing the specified deadline shall be the basis for carrying out official internal investigations by the STS and bringing guilty persons to liability.</p> <p>Cabinet of Ministers of Ukraine State Tax Service of Ukraine Ministry of Finance</p>	Not started - new recommendation
	<p>The State Tax Service of Ukraine and the Ministry of Finance of Ukraine - to develop and submit to the Cabinet of Ministers of Ukraine, while the Cabinet of Ministers of Ukraine - to submit to the Verkhovna Rada of Ukraine the Draft Law of Ukraine introducing amendments to the TCU, which will vest the taxpayer with the right to receive from the State Budget of Ukraine interests at a rate equal to 120% of the discount rate of the NBU, established at the time of accrual of interests, for the entire period during which such a taxpayer was unlawfully deprived of a right to form VAT tax credit or reduce its VAT tax liabilities, and to have the amount of its registration limit in the SEA VAT increased accordingly, due to illicit refusal to register suspended TI/AC with the URTI. Interests should be accrued from the date of entry into force of the decision of the relevant Commission on refusal in registration of TI/AC till the day when TI/AC is actually registered with the URTI on the basis of a court decision.</p> <p>Cabinet of Ministers of Ukraine State Tax Service of Ukraine Ministry of Finance</p>	Not started - new recommendation
	<p>The State Tax Service of Ukraine and the Ministry of Finance of Ukraine - to develop and submit to the Cabinet of Ministers of Ukraine, while the Cabinet of Ministers of Ukraine - to submit to the Verkhovna Rada of Ukraine the Draft Law of Ukraine on introducing amendments to the TCU, which would establish that the amount of VAT tax credit confirmed by TIs/ACs registered with the URTI during the period of validity of para 201.16 of the TCU - cannot be reduced by tax authority based on tax audit findings, with exceptions directly stipulated by the TCU (which, if stipulated, may include the case of discovering a criminal offence committed by persons involved in the preparation, registration or receipt of such TI/ACs, as well as the preparation of primary documents confirming business transactions to which such TI/ACs relate).</p> <p>Cabinet of Ministers of Ukraine State Tax Service of Ukraine Ministry of Finance</p>	Not started - new recommendation
	<p>To complete filling the Temporary Register of Applications for VAT Amounts Refund submitted prior to February 1, 2016, in whose regard as at 1 January 2017 the VAT has not been refunded;</p>	
	<p>To ensure including expenditures necessary to refund foregoing amounts of VAT to the draft State Budget of Ukraine for 2021 (and, if necessary - in the subsequent years) to be submitted to the Cabinet of Ministers of Ukraine (while the Cabinet of Ministers of Ukraine - to ensure preservation of such expenditures in the version of the draft State Budget of Ukraine submitted to the Verkhovna Rada of Ukraine).</p> <p>Cabinet of Ministers of Ukraine State Tax Service of Ukraine Ministry of Finance</p>	Not started - new recommendation