

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>	In process
	<p>To issue a new official explanation to withdraw the previous ones and advise taxpayers and tax authorities that the current wording of Article 120-1 of the TCU does not allow imposing penalties for breach of registration deadline or failure to register ACs containing negative VAT amount with the URTI since the basis for the penalty is a negative amount.</p> <p>State Tax Service of Ukraine            Ministry of Finance</p>	In process
	<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>	In process
	<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>	In process
	<p>To undertake all required measures (including organizational and technical), which will ensure 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.</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.</p> <p>Cabinet of Ministers of Ukraine            State Tax Service of Ukraine            Ministry of Finance</p>	In process
<p>To undertake all required measures (including organizational and technical), which will ensure 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).</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.</p> <p>Cabinet of Ministers of Ukraine            State Tax Service of Ukraine            Ministry of Finance</p>	In process	

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	<p>To undertake all required measures (including organizational and technical), which will ensure 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> <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.</p> <p>Cabinet of Ministers of Ukraine State Tax Service of Ukraine Ministry of Finance</p>	In process
	<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.</p> <p>Cabinet of Ministers of Ukraine State Tax Service of Ukraine Ministry of Finance</p>	In process
	<p>To issue a letter of explanation binding for all regional tax authorities (or other 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 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)</p> <p>Cabinet of Ministers of Ukraine State Tax Service of Ukraine Ministry of Finance</p>	In process
	<p>To issue a letter of explanation binding for all regional tax authorities (or other 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 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: - 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.</p> <p>Cabinet of Ministers of Ukraine State Tax Service of Ukraine Ministry of Finance</p>	In process
	<p>To issue a letter of explanation binding for all regional tax authorities (or other 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 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.</p> <p>Cabinet of Ministers of Ukraine State Tax Service of Ukraine Ministry of Finance</p>	In process
	<p>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.</p> <p>Cabinet of Ministers of Ukraine State Tax Service of Ukraine Ministry of Finance</p>	In process

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	<p>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>	In process
	<p>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>	In process
	<p>To prepare a summary of court practice of the ACC/SC in this category of cases, which would describe legal and factual reasons why regional level commissions' decisions on refusal to register suspended TIs/ACs are usually recognized by courts as unlawful and cancelled.</p> <p>State Tax Service of Ukraine</p>	In process
	<p>To develop and publish the Action Plan to address widespread (systemic) grounds for which numerous illegal decisions are made by regional level commissions subsequently cancelled by courts. Such action plan may include: 18.1. measures aimed at improving regional and central level commissions effectiveness (more substantiated reasoning of decisions, etc.); 18.2. measures aimed at improving the quality of representation of tax authorities in courts in such cases; 18.3. initiating amendments to legislative provisions, which are vague, inconsistent, or ambiguous.</p> <p>State Tax Service of Ukraine</p>	In process
	<p>Revoke the SFS's letter dated November 29, 2019, No. 35/99-99-11-04-04-18, the letter of the Ministry of Finance dated November 8, 2017, No.11310-09-10/30469 and other similar explanatory and informational documents denying principle of "indisputability" of the VAT tax credit confirmed by TIs/ACs registered with the URTI during the period of SMKOR's functioning. Issue a new explanatory letter - and introduce amendments to respective sources of secondary legislation and internal rules and regulations of the STS (including the Procedure No. 543 or a more recent equivalent) - to expressly acknowledge that the taxpayer's VAT tax credit confirmed by the TI/AC registered with the URTI during the period of the SMKOR's functioning cannot be reduced based on tax audit's findings.</p> <p>State Tax Service of Ukraine Ministry of Finance</p>	In process
	<p>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>	In process
	<p>To ensure adjustment of technical settings of ITS "Tax Block" (and other automated systems) to ensure that information on amounts of VAT refund agreed by results of adjudication is entered into with the VAT Refund Register immediately after entry into force of the relevant court decision, regardless of the cassation process (except cases where the court of cassation by its ruling suspended the effect or enforcement of the court decision).</p> <p>State Tax Service of Ukraine Ministry of Finance</p>	In process
	<p>To develop amendments to the USC Law (as well as Instruction No.449 and Procedure No. 435 in the respective part), aimed at establishing legal consequences of delaying by the supervisory authority the time for issuing notices for payment of debt (arrears) as well as decisions on penalties and accrual of fines for non-payment (non-transfer) or late payment (late transfer) of a unified social contribution</p> <p>State Tax Service of Ukraine Ministry of Finance</p>	In process

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	To amend the Instruction No.449 regarding establishing the obligation to add a detailed calculation of arrears amount under the unified social contribution to the notice issued by the tax authority, which is sent (furnished) to legal entities and individuals Ministry of Finance	In process
	To bring the procedure for consideration by the supervisory authorities of appeals against payment notices on arrears under the unified social contribution for the obligatory state social insurance fund and on decisions on accrual of fines and imposition of penalties in line with the USC Law and harmonize it with the Procedure No.916. Ministry of Finance	In process
	To adjust USC arrears amounts accrued from April 14, 2014, to February 13, 2020, to taxpayers registered with tax authorities located in the territory of the ATO/JFO State Tax Service of Ukraine	In process
	To develop draft amendments to the TCU aimed at clarifying rules governing application of top (maximum) single tax rate (paragraph 293.7 of Article 293 of the TCU). State Tax Service of Ukraine Ministry of Finance	In process
	To develop draft amendments to the TCU aimed at cancelling liability in the form of loss of the right to enjoy the simplified taxation system in case of receiving income corresponding to the SIC codes contained in the USR, but not reflected in the Register of Single Tax Payers (clause 7 of sub-paragraph 298.2.3 of paragraph 298.2 of Article 298 of the TCU). State Tax Service of Ukraine Ministry of Finance	In process
	To create a working group to re-consider current approach to the level of liability established in the TCU for taxpayer's illegal staying on the simplified taxation system. Ministry of Finance	In process
	To conduct awareness (information) campaign among single taxpayers to advise them on the substance of legislative provisions governing scope of their liability for breaching the rules of staying on the simplified taxation system. State Tax Service of Ukraine	In process
	The State Tax Service of Ukraine – to issue a letter of explanation on the CPT's advances while paying dividends: i. Confirm correctness of employing CPT's real object of taxation for Q4 of the reporting year; ii. Dismiss usage of “anticipated” object of taxation to be received by dividing the object of taxation for the whole year by 12 and multiplying by 3 (as provided for by existing letters of the SFS). The Ministry of Finance of Ukraine – issue a letter of explanation or a generalized tax consultation clarifying methodology of application of the TCU's provisions on the foregoing matters. State Tax Service of Ukraine Ministry of Finance	In process
	To amend the Procedure for Forming Plan-Schedule of Scheduled Documentary Tax Audits of Taxpayers, approved by the Order of the Ministry of Finance of Ukraine No. 524, dated June 2, 2015, to align it with the norms of the Law of Ukraine, dated January 16, 2020, No. 466-IX, which would contain an exhaustive list of cases falling under the notion of “technical error” as the reason for adjusting plan-schedule for the purposes of application of Article 77.2 of the TCU. In no case shall such a list broaden the tax authorities' powers Ministry of Finance	In process
	To bring to the knowledge of the local tax authorities customary court practice, according to which the grounds for seizure of property, foreseen by Article 94.2.8 of the TCU, is the taxpayer's refusal to take an inventory at all rather than a refusal to take it in the presence of tax officials State Tax Service of Ukraine	In process
	To ensure disclosure of information on the results of control and audit measures in a unified data format, as well as to enable the user to work effectively with the disclosed data, particularly, perform a “smart” search, group data and compare them. State Tax Service of Ukraine	In process
	To set an annual KPI for the State Tax Service of Ukraine to measure effectiveness of the risk-oriented approach. The KPI should measure the ratio of scheduled to unscheduled (i.e., initiated by the tax authority) audits of taxpayers in the reporting period, as well as should provide for a gradual increase in the number of scheduled audits and a decrease in unscheduled ones. Ministry of Finance	In process

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	<p>Enable taxpayers, representatives of the Business Ombudsman Council, the Ministry of Finance of Ukraine, as well as local controlling authorities and other authorities to participate in consideration of complaint's materials by teleconference or videoconference. For this purpose:</p> <p>The Ministry of Finance of Ukraine – to ensure introduction of appropriate amendments to the Procedure for Registration and Filing Complaints by Taxpayers and Their Consideration by Tax Authorities, approved by the Order of the Ministry of Finance of Ukraine dated October 21, 2015 No. 916.</p> <p>The State Tax Service of Ukraine – to implement the relevant technical capability.</p> <p>State Tax Service of Ukraine Ministry of Finance</p>	In process
	<p>To secure co-operation with key public authorities, whose representatives are worth being engaged in consideration of materials of taxpayers' complaints within the administrative appeal (such as, the Ministry of Finance of Ukraine, the NBU, the State Geological Cadastre; this list is non-exhaustive).</p> <p>State Tax Service of Ukraine</p>	In process
	<p>To publish decisions of the STS adopted following consideration of taxpayers' complaints on its official website. Publication should be in the form of the registry and subject to compliance with data confidentiality and protection requirements. The registry must contain information on subsequent appeal of the corresponding decision in court (if any) and its results.</p> <p>State Tax Service of Ukraine</p>	In process
	<p>To establish new KPIs for the STS, which would measure results of consideration of taxpayers' objections to tax audit reports. Meanwhile, the STS shall ensure (1) collection of maximum amount of relevant information, including names and surnames of tax authorities' officials regularly rendering unsubstantiated decisions; and (2) publication of key indicators of such statistics on the STS's website.</p> <p>Ministry of Finance</p>	In process
	<p>To establish new KPIs for the STS in terms of administrative appeal – such KPIs to be set separately for each department involved and, accordingly, separately assess performance of these KPIs. The relevant statistics should be regularly published in full on the STS official website.</p> <p>Ministry of Finance</p>	In process
	<p>Cease the practice of explaining important matters related to really controversial issues in tax legislation by publishing answers to FAQs in the PIR. FAQs in the PIR (which is an informational resource not intended for generating new legal positions) should relate only to indisputable matters, or to those regarding which GTCs were already issued, or those regarding which well-established and unambiguous practice of the Supreme Court has been formed. As for other controversial issues, issuance of GTCs should be initiated.</p> <p>State Tax Service of Ukraine</p>	In process

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	<p>To ensure systematization (sorting) of sets of published data by subject, keywords, popularity of sets among users, etc on its website, as well as to enable performing of a “smart” search among data sets. All data must be published in a single format;</p> <p>To ensure publication of comprehensive data on results of control and audit measures - i.e. in addition to already published information on audits, whose results have been reconciled, to publish data on audits, whose results have not been reconciled. To provide the ability to sort data by departments, so that users have access to information on selected types of audits;</p> <p>To ensure publication of comprehensive information on the outcomes of administrative appeal; in particular, to add information on the amount of additional charges for all types of TNDs, as well as information on TNDs (the number and additionally accrued amounts) by oblast;</p> <p>To streamline publication of information on results of judicial consideration in a format enabling to effectively process such information. Supplement the data with information on the main categories of cases under consideration, as well as on the manner in which cases are considered by particular judicial authorities;</p> <p>To ensure regular publication of the following data on the results of SEA VAT and SMKOR work: (1) Regarding SEA VAT: - Information on the suspended registration limit amount in SEA VAT (through arrest or otherwise); - Information on the registration limit amount, which was written off (reset to zero) in SEA VAT (to be broken down by grounds). (2) Regarding registration of tax invoices and adjustment calculations (TIs/ACs): - The number of TIs/ACs submitted for registration with the URTI, their respective amounts, the number of VAT payers, who submitted them for registration; - The number of TIs/ACs whose registration is suspended, their corresponding amounts, the number of VAT payers, whose TIs/ACs registration has been suspended (including risk criteria based on which they were suspended); - The number of TIs/ACs against which the decision of the Commission for TI/AC registration suspension in the URTI on TIs/ACs registration was made, the corresponding TIs/ACs amounts, the number of payers for which such decisions were made. The data should be broken down by regional and central commissions. - The number of TIs/ACs against which the decision of Commission for TI/AC registration suspension in the URTI on refusal to register TIs/ACs was made, the corresponding TIs/ACs amounts, the number of payers for whom such decisions were made. The data should be broken down by regional and central level commissions. - The number of TIs/ACs registered pursuant to court decision, the corresponding TIs/ACs amount, the number of payers, court decisions, including, which out of them were: □ registered with the URTI (TI/AC number, amount, number of taxpayers, number of court decisions); □ not registered with the URTI (number of TI/AC, amount, number of taxpayers, number of court decisions) (to be broken down by reasons for which they are not registered). - The number of TIs/ACs whose registration was denied by the court, corresponding TIs amounts, number of taxpayers, court decisions. (3) Regarding inclusion of taxpayers in the risky list: - The number of taxpayers for whom decisions (including new ones made in the reporting period) on compliance with their risk criteria remain valid (to be broken down by regional commissions, reporting periods); - The number of taxpayers for whom a decision on non-compliance with their risk criteria was made (to be broken down by regional commissions, periods) (including court decisions). (4) Regarding taking taxpayers' data tables into account: - The number of taxpayers' data tables taken into account and taxpayers for whom such tables were taken into account (to be broken down by regional level commissions, reporting periods, UCGFEA/SCGS incoming and outgoing codes). (5) The number of taxpayers' data tables not taken into account and the number of taxpayers for whom such tables are not taken into account (to be broken down by regional level commissions, reporting periods, UCGFEA/SCGS incoming and outgoing codes).</p> <p>State Tax Service of Ukraine</p>	In process
	<p>to establish a special procedure for submission and consideration of taxpayers' appeals to correct TICs' accounting indicators that the taxpayer considers false (incorrect) by the STS;</p> <p>to oblige controlling authority either to correct respective controversial TIC's data (information) within the established term or to substantiate its correctness in writing;</p> <p>to establish procedure for prompt and unconditional TIC's data correction enabling enforcement of court decisions directly related to the disputed TIC's data (e.g. decisions recognizing calculation of the tax liability - which appears in TIC as debt - as being groundless), including court decisions, whose resolutive parts does not expressly oblige tax authority to make such a correction.</p> <p>Ministry of Finance</p>	In process