



Report name	Issued recommendations	Execution status
Systemic report "Problems with administering business taxes in Ukraine"	<p>To amend the Tax Code to provide for personal disciplinary, administrative and financial liability of the officials of the tax authorities for unlawful delays with processing VAT refunds. Ministry of Finance</p> <p>The administrative appeal procedures available to the taxpayers willing to challenge the results of the tax audits shall be effective and time-efficient, rather than formalistic as it often appears to be (please see Section "Administrative appeal" for details). While appointing and performing the tax audit, the tax authorities shall strictly comply with the procedures prescribed by the law, and the supervising authorities shall ensure such compliance in an effective manner. The Tax Code shall be amended to specify particular sanctions to be imposed on the officials of the tax authorities for procedural and other violations during appointment and performance of the tax audit. Such sanctions shall be personalized and variable (from reprimand to dismissal and fine) depending on the degree of violation by the particular official. Ministry of Finance State Tax Service of Ukraine</p>	In process
	<p>To forbid the tax authorities to initiate criminal proceedings against the taxpayer's officials based on the results of the tax audit until the taxpayer's tax obligation is duly acknowledged (i.e., until the administrative appeal and / or consideration in a court are finished). If the results of the tax audit are successfully challenged by the taxpayer in court, the criminal proceedings initiated merely based on results thereof, shall be immediately ceased. Ministry of Finance</p>	In process — comments: Although this recommendation has been discussed repeatedly, the extent of its' practical implementation remains quite limited.
	<p>To reflect in the Tax Code and enforce in practice the approach evidenced by a widespread judicial practice, whereby minor mistakes or deficiencies in primary documents cannot be used as a ground for charging additional tax liabilities, penalties and fines on the taxpayer. Ministry of Finance</p>	In process — comments: Article 56.22. of the Tax Code of Ukraine provides as follows: "If a taxpayer challenges a decision of a control authority to the court or through the appropriate administrative procedure, such taxpayer cannot be accused of tax evasion exclusively on the ground of such decision of the control authority until the proceedings have been ultimately settled by the court or through the appropriate administrative procedure." In process — comments: The Supreme Court in its decisions specifies that the facts of the occurrence of errors in executed primary documents or the absence of individual ones, shall not, as such, constitute the ground for the conclusions on the absence of the actual business transaction, - provided that the other data or evidence prove otherwise. The implementation of this recommendation requires preparation of a special explanation of the SFS with concrete examples of such errors.
	<p>To amend the Tax Code to foresee personal administrative and financial liability of the officials of the tax authorities for instances of malpractice and nonprofessional behaviour. Ministry of Finance</p>	In process — comments: The respective amendments to the legislation are being approved by the Ministry of Finance together with the relevant regulatory authorities.