

Report name	Issued recommendations	Execution status
Systemic report "Main problems faced by business in customs sphere"	<p>To develop and adopt an order, which would enable customs authorities and declarants to exchange documents issued in an electronic form (i.e., certified by declarants' or authorized representatives' electronic digital signature) with scanned copies of corresponding originals (if requested by customs authorities or provided by declarants' on their own initiative) attached thereto. Ministry of Finance</p>	<p>Implemented</p>
	<p>To introduce amendments to the Procedure for Refund of Advance Payments (Prepayment) and Erroneously and/or Excessively Paid Amounts of Customs Duties, approved by the Order of the Ministry of Finance of Ukraine dated July 18, 2017 No. 643, which would enable a declarant to attach to the application for refund of erroneously and/or excessively paid customs duties amounts a court decision rendering illicit or acknowledging unlawful decision or actions at the part of SFS authorities that led to (resulted in, caused) erroneous and/or excessive payment of customs duties (i.e., as an alternative to enforcement letter issued by a court and/or a court decision authorizing refund of certain amount of customs duties). Ministry of Finance</p>	<p>Implemented — comments: On 12 April 2019, the Order of the Ministry of Finance of Ukraine No.80 "On Approving Changes to the Procedure for Repayment of Prepayments (Prepayments) and Erroneous and / or Excessive Payments of Customs Payments" entered into force. The aforementioned regulatory act has finally eliminated the controversial requirement to submit to the court the application for refund of the writ of execution of the court and / or the decision of the court, which has come into force (if any), to recover the amounts of the corresponding customs payments.</p>
	<p>To prepare amendments to the existing Draft Law of Ukraine No.4614 dated 06.05.2016 "On Introducing Amendments to the Customs Code of Ukraine to Ensure Protection of Intellectual Property Rights While Moving Goods Across Customs Border of Ukraine" No.4614 dated 06.05.2016; or to introduce an alternative draft law to ensure implementation in Ukraine of the requirements set forth in (i) Regulation (EC) No 608/2013 of the European Parliament and of the Council regarding customs enforcement of intellectual property rights; as well as (ii) Commission Implementing Regulation (EU) No. 1352/2013 establishing the forms provided for in Regulation (EU) No 608/2013, in particular:1.1.To bring the concept "goods infringing Intellectual Property Rights" in line with EU requirements, including exclusion of goods that are objects of so-called "parallel trade" from the substantial scope of this concept (in accordance with Clauses 3-5 of Article 1 of Regulation No. 608/2013);1.2.To set forth clear procedural terms, unified with European Union requirements, applicable within the procedure for suspending customs clearance of goods suspected of infringing IPR (as stipulated by Articles 3, 7, 9, 11-12, 17-18, 23, 26 of the Regulation No.608/2013);1.3.To improve the regulation of the procedure for destruction of goods, whose customs clearance has been suspended on suspicion of violating IPR, including laying down the "tacit consent" principle for their destruction in the absence of objections from a declarant or owner of goods; establishing a simplified procedure for the destruction of goods containing in small consignments (according to Articles 25 - 26 of Regulation No. 608/2013);1.4.To approve unified IPR protection measures related forms in accordance with European Union standards (as prescribed by Regulation No.1352/2013). Ministry of Finance State Customs Service</p>	<p>Implemented</p>
Systemic report "Challenges for government and business in dealing with local government"	<p>To regulate the issue of transferring the responsibilities and functions of the State Environmental Protection Administration in the procedure provided for in CMU Resolution No.1074 "On approving a Procedure for taking steps related to setting up, reorganizing or liquidating ministries and other central executive bodies," dated 20 October 2011. Ministry of Finance Ministry for Development of Economy, Trade and Agriculture of Ukraine Ministry of Justice Ministry of Environment and Natural Resources</p>	<p>Implemented — comments: In the case of executive authorities liquidation, including territorial ones, their rights and obligations in accordance with the CMU Resolution No.1074 dated 10 October 2011, shall be transferred to another executive authority.</p>
Systemic report "Reducing the risk of corruption and attracting investment to the construction industry"	<p>To draw up and submit a draft law to amend the Budget Code of Ukraine and other related regulatory acts, including: establishing clear deadlines, until which payments for procurement contracts must be made, typically not more than 30 working days, instituting penalties for past due payments. Ministry of Finance</p>	<p>Implemented — comments: Compromise implementation: There appeared a long-awaited feature of checking payment under the contract in ProZorro public procurement electronic system. As a consequence of efforts from the Ministry of Economic Development, ProZorro team, the Ministry of Finance, the E-Data system and .007 project, now everyone is able not only to familiarize oneself with the text of a contract signed with a tender winner, but also to find out if payment was made thereunder.</p>

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Systemic report "Problems with administering business taxes in Ukraine"	<p>To ensure stability of respective laws and regulations, once the deficiencies in the VAT electronic administration functioning are eliminated, so that they will remain unchanged (or significantly unchanged) for a significant time. If the sense of predictability is achieved, it would enable the taxpayers to plan their activities accordingly and significantly decrease administrative expenses covering the cost of adjustment to the new rules and regulations.</p> <p>Ministry of Finance State Tax Service of Ukraine</p>	<p>Implemented</p>
	<p>The State Budget of Ukraine shall reflect consolidated VAT amount (i.e., the difference between the income from VAT and expenses for VAT refund). For this purpose the Budget Code of Ukraine shall be respectively amended. In our view, if implemented, such an approach would allow overthrowing traditional argumentation of the tax authorities that VAT refund is effectively limited by the limits foreseen in the State Budget.</p> <p>Ministry of Finance</p>	<p>Implemented — comments: In the state budget, starting from 2016, planned VAT receipts from goods (works, services) produced in Ukraine are reflected as a balance between tax collection and reimbursement. The same principle is envisaged in the approved budget for 2019.</p>
	<p>To revise the Procedure of Taxpayers' Record Keeping to significantly narrow down the scope of discretionary power currently vested with the tax authorities. In particular, the following amendments are worth being considered: the grounds for launching verification of the tax payers' location by the tax authorities shall be limited to include only limited and specific number of instances to be directly envisaged in the legislation (for instance, during a tax audit of a taxpayer deemed to be in violation of its duties); if the information on the taxpayer's location is properly confirmed through the State Registrar, this should be regarded as the sufficient proof for tax authorities; moreover, in this case tax authorities shall not be entitled to carry out such verification for certain reasonable period of time (for instance, one year).</p> <p>Ministry of Finance State Tax Service of Ukraine</p>	<p>Implemented — comments: Commencing March 2016, the fiscal authorities are no longer entitled to issue the form 18-OPP (notice on the absence of legal entity at its location).Respective provisions have been excluded from the Procedure for Taxpayer Registration pursuant to the Order of the Ministry of Finance No.375 dated 18 March 2016.</p>