



Starting from 16 March and until 24 April, Ukraine closed its borders for foreign citizens. Foreigners with temporary or permanent residency permits are exempt from the ban.



Starting from 17 March and until 24 April, the Government introduced restrictions in order to stop the spread of the coronavirus (COVID-19):

- Educational institutions, restaurants, cafes, bars, gyms, and shopping malls are closed. Restaurants are allowed to deliver orders. Grocery stores, pharmacies, banks and gas stations remain open.
- All cultural, sporting, social, religious and other mass events are banned.
- Regular and non-regular suburban, intra- and interregional passenger travels are banned (except for travels by own cars and special transportation, including transportation of employees to worksites).
- People are officially allowed to work from home for the duration of the quarantine period.



Starting from 25 March and until 24 April, the Government introduced [the emergency situation regime](#) in the entire territory of Ukraine to prevent the spread of COVID-19.



[Law no. 530-IX 'Amending certain Legislative Acts of Ukraine with a view to Preventing Occurrence and Spread of the coronavirus \(COVID-2019\)' \(adopted 17.03.2020\).](#)



[Law no. 533-IX 'Amending the Tax Code and other Laws of Ukraine with a view to Supporting Tax Payers for the Duration of the Measures Implemented to Prevent the Occurrence and Spread of the coronavirus \(COVID-2019\)' \(adopted 17.03.2020\).](#)



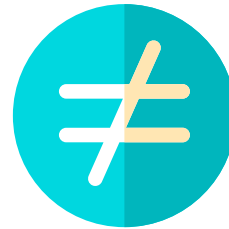
[Law no. 540-IX 'Amending certain Laws of Ukraine aimed to provide additional social and economic guarantees amid the spread of coronavirus disease \(COVID-2019\)' \(adopted 30.03.2020\).](#)



**Emergency situation** is a special temporary legal regime that arises from the violation of normal living conditions and activities of people through an accident, catastrophe, natural disaster or epidemic.

## Emergency Situation

The emergency situation **DOES NOT** limit the constitutional rights of citizens but only consolidates the efforts to combat coronavirus.



## State of Emergency

During this period the state can directly manage both state and all private companies, and the rights and freedoms of Ukrainians may be restricted.



During an emergency situation, the authorities, and the civil protection services, will work intensely, in a special mode. Emergency **DOES NOT** imply government intervention in the management of private companies or restrictions on the rights and freedoms of Ukrainians.

## Force-majeure



The Law enables the Ukrainian Chamber of Commerce to certify the occurrence of force-majeure in contracts with reference to the quarantine.

## Vacations and teleworking



Employers may ask employees to work from home or to allow employees go on a vacation leave, if they so wish.

## Opening hours of businesses



Owners of companies may change their opening hours. Information about such changes must be advertised through websites and through other communication channels.

## Foreigners



A ban upon imposition of administrative sanctions against foreigners and stateless persons who were not able to leave Ukraine.

## State supervision and administrative services



Governmental authorities are prohibited from carrying out scheduled measures with regard to state control (supervision) over commercial activities.

## Taxes and duties



Importation into Ukraine of medicines and medical equipment required for prevention, containment and liquidation of the coronavirus are exempted from VAT.

## Public procurement



The procurement of goods, works or services required for the prevention, containment or liquidation of outbreaks, epidemics or pandemics of the coronavirus is temporarily exempted from the public procurement tender formalities.

- ★ **Canceled penalties for violation of tax legislation** for the period March 1 – May 31, 2020
- ★ **Moratorium on tax audits** for the period March 18 – May 31, 2020
- ★ **Suspension of statutory limitation periods** for the period March 18 – May 31, 2020
- ★ **Mandatory cash registries for all business working on the simplified tax regime** postponed by 3 months
- ★ **Canceled payment of Single Social Contribution** for all private entrepreneurs and those engaged in independent professional activities for the period March 1 – April 30, 2020
- ★ **Non-residential real estate owned by individuals or legal persons is not subject to real estate tax** for the period March 1 – March 31, 2020
- ★ **Rent on land is not accrued and paid** for the period March 1 – March 31, 2020
- ★ **Wealth and income declarations filling period** extended until July 1, 2020

## Exemption from taxation of goods used to combat COVID-19



- From 17 March 2020 until the last month of the quarantine, **exemption from payment of VAT on imports and supply of goods used to combat COVID-19.**
- **Exemption from import duties of goods used to combat COVID-19** until June 30, 2020.

## Changes to excise tax administration



- A **zero excise duty** per liter of 100% alcohol used for production of disinfectants until May 31, 2020.
- **Maturity dates of tax receipts** issued by producers or importers of jet fuel within a period from March 1, 2020 to May 31, 2020 shall be extended to August 15, 2020.

## Changes to corporate income tax



- With regards to 2020 CIT calculation, **taxpayers are allowed to include the full amount of funds and expenses for medicines and/or goods** as per the list determined by the Cabinet of Ministers of Ukraine (CMU) provided that such funds and/or goods are donated to public associations, charitable organizations, state agencies, and health institutions in the period starting from April 2, 2020 till the end date of quarantine stipulated by the CMU.

## Exemption from land charge and real property tax



- **Land charges and real property tax will not be charged for March 2020** (previously, this applied for March-April 2020).

## Increased limits for single tax payers



- **1<sup>st</sup> group** – from UAH 300 thousand to **UAH 1 million**
- **2<sup>nd</sup> group** – from UAH 1.5 million to **UAH 5 million**
- **3<sup>rd</sup> group** – from UAH 5 million to **UAH 7 million**

## Revised single tax rates



- Local governments can decide on the **single tax rate reduction in 2020.**

## Investors Concerns

The Government imposed restrictions on entering Ukraine's territory, that will impede supply chains



Closure of border crossings which will increase time for customs clearance



The Government imposed restrictions on movement within Ukraine, that will impede companies' operating activity



Foreigners that are not able to leave Ukraine's territory in connection with the quarantine will be punished



Due to COVID-19 and UAH exchange rate fluctuations NBU will impose currency restrictions



## Situation in Ukraine

Indeed, starting from March 16 and until April 24, Ukraine closed its borders for foreign citizens to prevent the spread of coronavirus. However, **the ban does not apply to international freight operations**. Latest news and updates on trade related measures are published at Facebook page [#uatradecovid19](#). For more information please refer to Customs Service (by hot-line phone number **1548** or via web-site <https://cc.customs.gov.ua/>).

As one of restrictive measures, the Government closes most of existing border crossings. Starting from April 7, 2020, only 19 border crossings are open. In case of long queues, you can chose another open checkpoint within your district. An interactive map shows open and closed checkpoints online: <http://shorturl.at/aPQSZ>.

To prevent the spread of coronavirus the Government has imposed some restrictions on internal movement:

- 1) quarantine is imposed in all territory of Ukraine for the period from March 12 till April 24, 2020;
- 2) regular and irregular suburban, intra- and interregional passenger travels are banned for the period from March 17 till April 24, 2020.

However, regular special transportation which includes **transportation of employees to worksites is not forbidden**. The number of employees cannot exceed the number of seats in a vehicle. All employees and a driver shall be provided with personal protective equipment.

The recently adopted Law no. 3219 'Amending certain Legislative Acts of Ukraine with a view to Preventing Occurrence and Spread of the coronavirus (COVID-19)' **bans imposition of administrative sanctions against foreigners and stateless persons who were not able to leave Ukraine** or file a request with the offices of the State Migration Service for the extension of their permitted stay in Ukraine in connection with the quarantine.

The National Bank of Ukraine (NBU) has enough reserves to smooth the hryvnia exchange rate fluctuations - currently the international reserves of Ukraine amount to approx. \$25 billion. **NBU does not plan any limits on capital withdrawal or currency restrictions**.