



## Ukrainian VAT rules for electronically supplied services

Tax & Legal

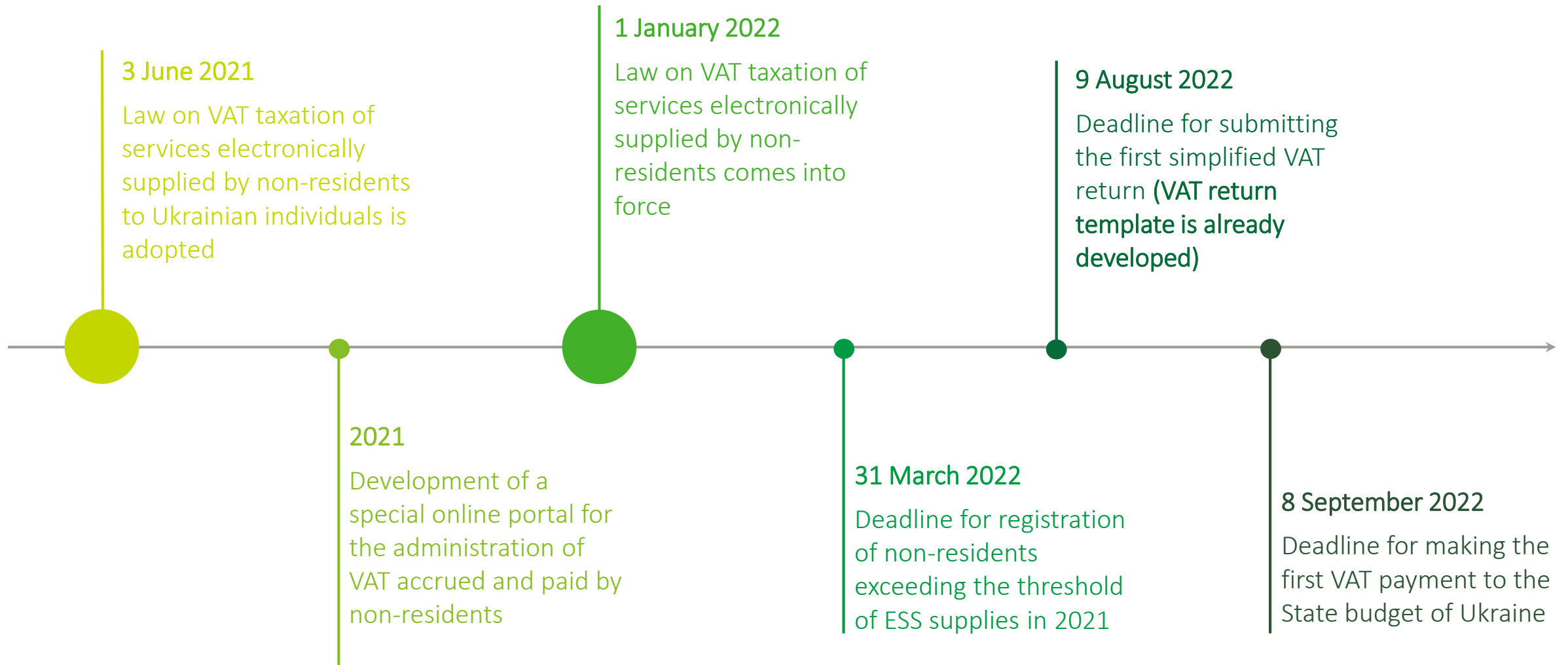
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# Implementation of rules on ESS taxation



# Application of the law on ESS taxation

Applied to:



Ukrainian individuals

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Individual entrepreneurs not  
registered as VAT payers

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Not applied to:



Legal entities (regardless of the  
status of registration as a VAT payer)

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Individual entrepreneurs  
registered as VAT payers

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# ESS list

ESS are services provided automatically via the internet, using information technologies and mostly without human intervention

Supply of electronic copies, subscription to electronic newspapers, magazines, books

Provision of access to audio-visual works, videos on demand, games, card games

Provision of access to information, commercial, educational and entertainment electronic resources

Supply of services of online learning without human involvement

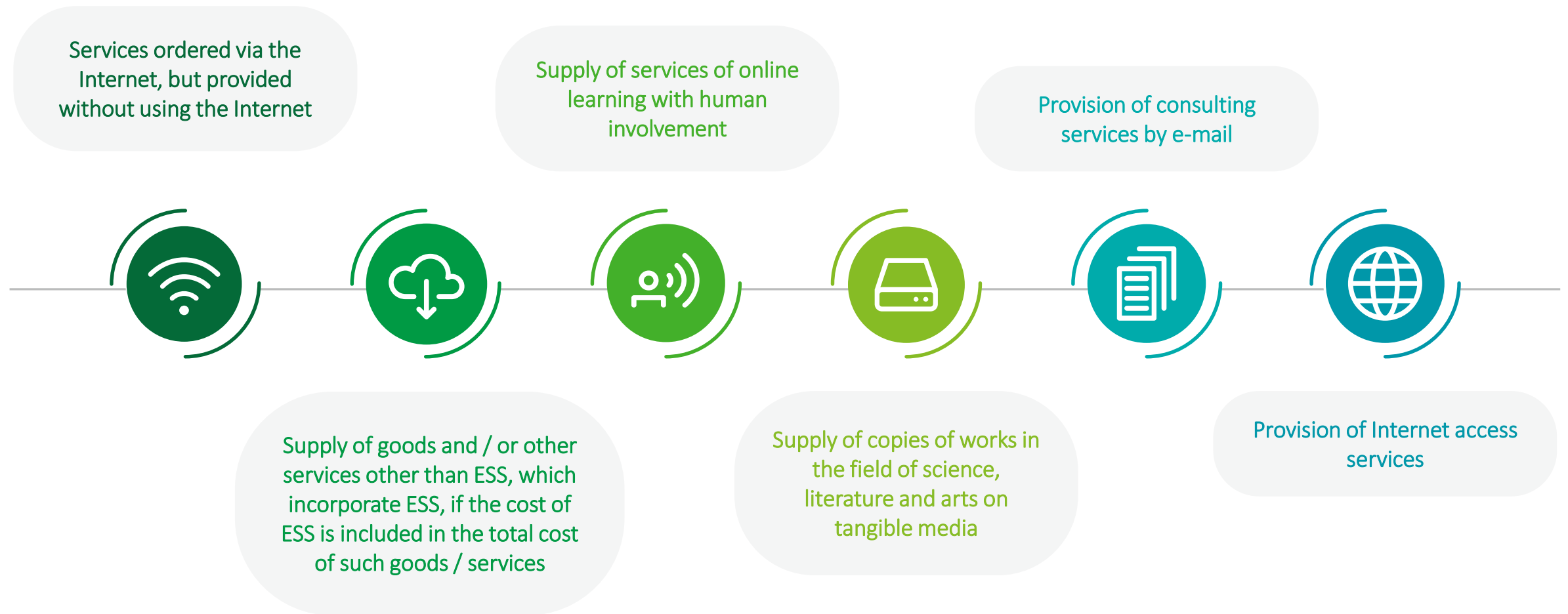
Online advertising services, mobile applications and other electronic resources

Provision of access to databases, including use of search systems and directory services

Provision of cloud technologies for data placement, etc.

Supply (transfer of rights of use) of software and updates thereof

# Exceptions to ESS

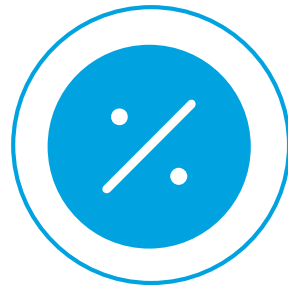


# VAT accounting and compliance



## Registration

Total ESS supplies for the previous year > UAH 1 million. Penalty for non-registration is 30 minimum wages (since 1 January 2022 – UAH 195k, or EUR 6.1k).



## Rate and base

20% VAT is accrued on the cost of services. VAT liabilities occur on the last day of the reporting period in which the services are paid for.



## Reporting

The simplified return is submitted quarterly. Non-residents are not obliged to file tax invoices. There are no requirements to invoices.



## Payment

VAT is paid in foreign currency (USD or EUR) to a special currency account in the State budget.











## Audit

The simplified declaration may be subject to desk tax audit.

# What Deloitte can do for you?

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-  Review of the supply chains and services provided by non-residents and advice on the taxation requirements
-  Advice on the particularities of electronic services taxation in Ukraine, including application of exemptions, customer validation, determination of the place of supply, etc.
-  Review of contracts for the purposes of electronic services determination
-  Calculation of the volume of provided electronic services, determination whether the threshold for VAT registration was exceeded
-  Drafting of requests for tax rulings regarding electronic services and their taxation
-  Assistance with VAT registration
-  Assistance with VAT compliance and reporting
-  Assistance with tax audits



# Contacts



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