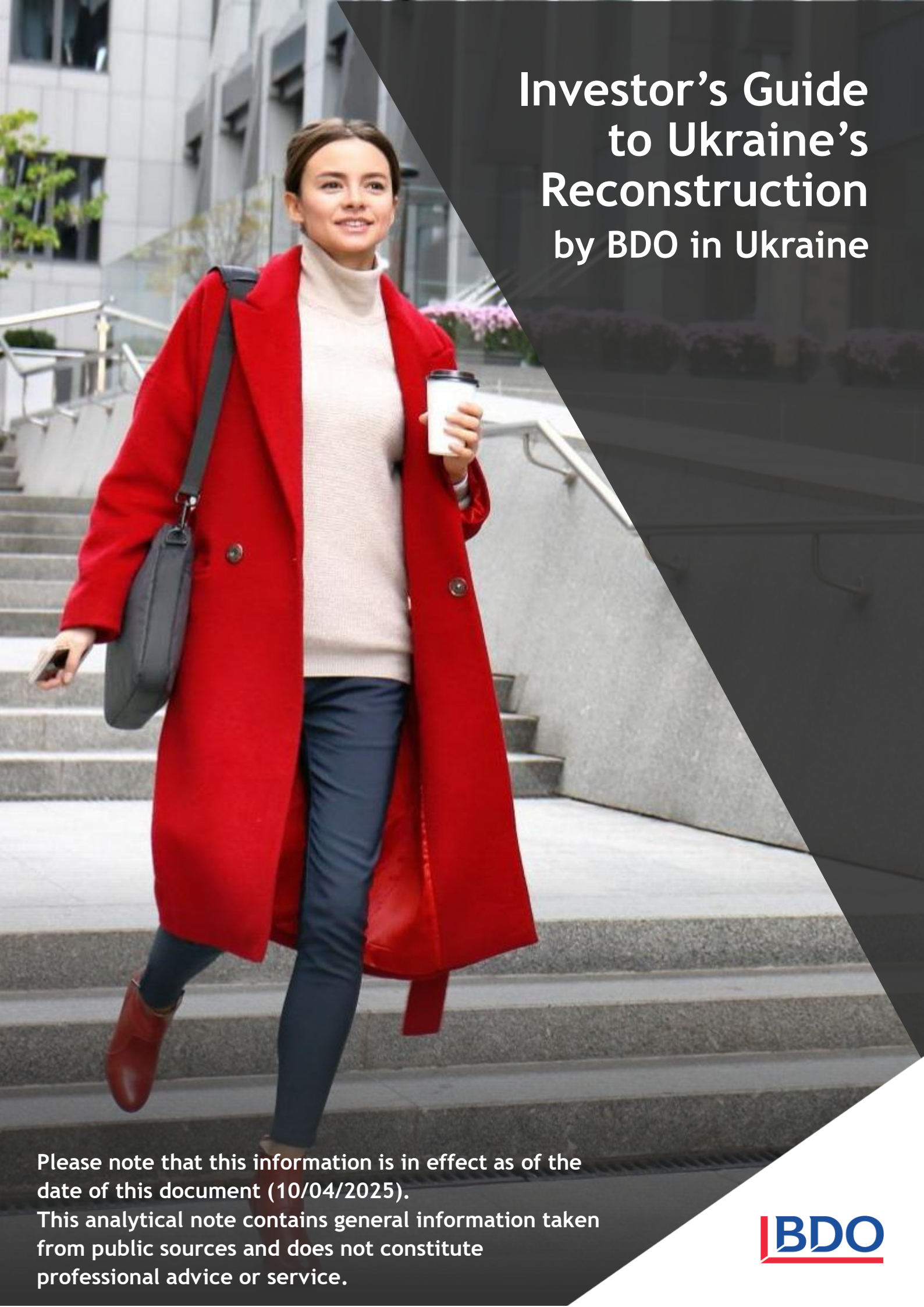


Investor's Guide to Ukraine's Reconstruction

by BDO in Ukraine

Please note that this information is in effect as of the date of this document (10/04/2025).
This analytical note contains general information taken from public sources and does not constitute professional advice or service.

Table of content

1. Why Ukraine? Investment opportunities and macroeconomic factors:

- Why Ukraine? 4
- Free trade agreements 5
- Ukraine's Global Rankings and Indices 8
- Ukrainian investment projects ecosystem 13
- Unified portfolio of public investment projects 14
- DREAM platform 14
- Investment Opportunities Map of Ukraine, presented by European Business Association in Ukraine 15
- The Investment Guide for Ukraine by the Ministry of Economy of Ukraine 16
- Advantage Ukraine 16
- The State Organization Agency on Support Public-Private Partnership 16
- The Practical Handbook with comprehensive overview of available instruments for financing businesses in Ukraine 17
- NAZOVNI platform - assistance to Ukrainian exporters 18
- International Chambers of Commerce / Business Associations 19
- UVCA initiatives: Ukraine Redevelopment Platform, 1% Pledge or visit UVCA Investors Club
- Investors guide to Ukrainian IT
- Ukrainian companies and companies with significant Ukrainian exposure 20
- Accessing Ukraine's Domestic Government Bonds for Foreign Investors 24
- Contact your local investment advisor

2. Regulatory frameworks and security aspects for investors

- Sanctions and Restrictions for Non-Resident Companies in Ukraine 25
- Martial Law 27
- Valuation of war damage and Recovery and reconstruction needs 29
- Business protection 30
- Privatization process in Ukraine 31
- Guide to electronic public procurement system in Ukraine 33
- Political and war risks mitigation possibilities 34
- German Export Credit Guarantees – Simplified procedures for Ukraine 42
- Key points on prevention of money laundering in Ukraine 43
- Key legislative act regulating data protection in Ukraine 44
- Currency limits and restrictions 45

3. Financial and tax conditions for doing business in Ukraine

- Taxation in Ukraine 46
- Export Credit Agency (ECA) programs 55
- War Risk Insurance Support Instrument 57
- Financial state support programs 58
- EU "Ukraine Facility Framework" 60
- Diia.City – preferable tax regime for investments in IT Industry in Ukraine 61
- Access to EU Finance 62

4. Practical aspects of doing business in Ukraine

- Business Setup and Registration in Various Legal Forms 65
- Ukrainian E-Residency for Foreign Nationals 68
- Entry regime to Ukraine for foreign citizens 69
- Foreigner's Guide on Business Travel to Ukraine 71
- Employment of Foreigners in Ukraine 72
- Compensation for employers for hiring the unemployed persons and creating new workplaces 74
- Guide: Rebuilding Ukraine with the Private Sector 75
- Industrial Parks 76

By utilizing these resources, investors can make informed decisions and uncover promising investment prospects in Ukraine.

Why Ukraine?

Ukraine is an opportunity for investors with a long-term vision!

Strategic Location - The Hub of Regional Economy

- **The Heart of Europe**, a strategic bridge between East and West
- Access to the Black Sea ensures routes to global maritime pathways
- **Key economy of Eastern Europe**
- **Access to the EU market** (500+ million consumers)

Eastern Europe

250+ million consumers within a 1 000 km radius

EU and neighboring markets

1000+ million consumers within a 3 000 km radius

Investment Potential

Trade network
- 25 free trade agreements (47 countries)

Advanced infrastructure
- Robust logistics: railways, seaports

Natural resources and Agricultural sector
- **30% of the world's black soil reserves** - perfect for agribusiness.
- Leading exporter of grains and sunflower oil.
- Deposits of strategic resources: **lithium, titanium, uranium, iron ore.**

Rapid growth of IT and digital economy
- **One of the largest IT markets in Europe.**
- Ukraine is **a global leader in outsourcing services.**
- Simplified business conditions for IT companies

Large-scale market and skilled workforce
- Large consumer market
- High level of technical and engineering education
- Competitive labor costs

Government support for business
- Simplified business registration procedure
- **Tax incentives** and public-private partnerships
- Tax incentives, grant programs and support for investments

Renewable energy and green transition
- High potential of **solar and wind energy**
- Investments in **hydrogen energy and energy independence**
- Programs to support green transformation along with the EU

Free trade agreements

Ukraine and other countries have signed 25 free trade agreements covering the markets of 47 countries.

EU

Georgia

Canada

EFTA

North Macedonia

Moldova

CIS

Montenegro

United Kingdom

Israel

GUAM

Turkey

UAE

1. UPDATED FREE TRADE AGREEMENT BETWEEN UKRAINE AND THE EFTA

- **Date of signature:** 8 April 2025
- **Main provisions:**

  Key changes:
  - **Complete abolition of duties** on industrial products.
  - **Cancellation and reduction of duties** on a significant part of agricultural goods:
    - Iceland — 142 duty-free goods.
    - Norway — 107 duty-free goods, 78 — with reduced rates.
    - Switzerland and Liechtenstein — 427 duty-free goods, 163 with reduced rates.
  - **Overall growth in duty-free goods**: 66.2%.

  New sections of the Agreement:
  - **E-commerce**: legal regulation of e-commerce, signatures, contracts, paperless trade.
  - **Small and medium-sized enterprises (SME)**: improved access to information, contact points, publication of information in English.
  - **Trade and sustainable development**: environmental and social standards in trade relations.

  Updated provisions:
  - **Trade in goods and SPS measures**: in accordance with WTO agreements.
  - **Simplification of trade procedures**: transparency in licensing, clear rules for exporters.
  - **Public procurement**: improving access of Ukrainian suppliers to EFTA markets.
  - **Intellectual property**: cooperation and protection.
- **Expected results:**
  - Increased access of Ukrainian goods and services to the markets of the EFTA countries.
  - Recovery of the Ukrainian economy.
  - Strengthening economic cooperation and trade relations with Norway, Iceland, Switzerland and Liechtenstein.
  - Promoting the modernisation and digitalisation of trade procedures to increase efficiency.

2. COMPREHENSIVE ECONOMIC PARTNERSHIP AGREEMENT BETWEEN UKRAINE AND THE UNITED ARAB EMIRATES (UAE)

- **Date of signing:** 17 February 2025
- **Main provisions:**
  - **Free access of Ukrainian goods to the UAE market** for 96.6% of product lines.
  - **Lifting of restrictions** on the share of foreign capital at 49% for Ukraine that will allow entrepreneurs to register companies with up to 70% of foreign capital, and gradually up to 100% in certain sectors.
  - **Facilitating digital trade** and abolishing duties on electronic services.
  - **Establishment of** the Ukraine-UAE **Investment Council**.
- **Expected results:**
  - Attracting investments from the UAE to Ukraine.
  - Simplifying the registration of Ukrainian companies in the UAE.
  - Growth of Ukrainian exports in key sectors: metallurgy, food industry, in particular flour milling and oil production.

3. UPDATE OF THE AGREEMENT BETWEEN UKRAINE AND THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND ON POLITICAL COOPERATION, FREE TRADE AND STRATEGIC PARTNERSHIP

- **Date of signature:** 8 February 2024 (ratified by Ukraine on 22.08.2024)
- **Main provisions:**
  - **Deeper tariff liberalisation:** amendments to the Agreement on Political Cooperation, Free Trade and Strategic Partnership between Ukraine and the United Kingdom of Great Britain and Northern Ireland were introduced, which provide for the abolition of all import duties and tariff quotas in bilateral trade.
  - **The agreement will be in force until 31 March 2029**, with the exception of two commodity items — eggs and poultry products, — the liberalization of trade with which has been extended for 2 years — until 01 April 2026.
  - **Investment incentives:** The United Kingdom provides preferences to Ukrainian businesses and access to its financial markets.
- **Expected results:**
  - Expanding exports of Ukrainian agricultural products.
  - Strengthening economic cooperation between the parties to the Agreement.

4. FREE TRADE AGREEMENT BETWEEN UKRAINE AND TURKEY

- **Date of signing:** 3 February 2022
- **Status of ratification:** The Turkish parliament ratified the agreement in August 2024, and Ukraine plans to complete ratification in 2025.
- **Main provisions:**
  - **Abolition of duties:** Turkey cancels duties for 93.4% of industrial goods and 7.6% of agricultural goods from Ukraine. Ukraine abolishes duties for 56% of industrial goods from Turkey.
  - **Protection of domestic producers:** Ukraine retains duties on scrap, used cars and second-hand goods.
  - **Establishment of a Joint Committee:** To resolve disputes and monitor the implementation of the agreement.
- **Expected results:**
  - Growth in trade between Ukraine and Turkey (expected to reach USD 10 billion).
  - Expanding opportunities for Ukrainian exporters (especially in the industrial sector).

5. UPDATE ON THE UKRAINE-CANADA FREE TRADE AGREEMENT

- **Date of signature:** 22 September 2023 (entered into force on 1 July 2024)
- **Main provisions:**
  - **Liberalisation of trade in services and investments:** the agreement provides for liberalisation of the services market on the basis of the "negative list" principle, which means that everything that is not prohibited by the agreement is allowed. This will facilitate the maximum development of trade in services between Ukrainian and Canadian companies.
  - **Facilitation of temporary entry:** employees of Ukrainian companies, providing services in Canada, can apply for temporary entry under facilitated and extended conditions.
  - **Digital trade:** the agreement promotes the development of digital technologies and the construction of a free and open digital ecosystem of the economy, ensuring freedom of cross-border transfer of information and choosing the location of the equipment.
  - **Cumulation of origin:** for goods exported to Canada duty-free, it is allowed to use the components from the EU, the UK and Israel, which expands Ukraine's involvement in global supply chains
- **Expected results:**
  - **Strengthening the economic partnership:** the updated agreement will contribute to the deepening of economic relations between Ukraine and Canada, stimulating a strong, sustainable and inclusive economic recovery.
  - **Trade growth:** in 2023, the volume of trade between the two countries increased by more than 55% to CAD 695 million. Further growth in trade and investment is expected.
  - **Expanded participation in global markets:** Ukrainian producers have the opportunity to integrate deeper into international supply chains and expand their presence in the Canadian market.

Ukraine's Global Rankings and Indices

To make it easier to decide about investing in Ukraine's economy, we offer you to familiarize with some ratings that partially represent the country's institutional and investment environment.

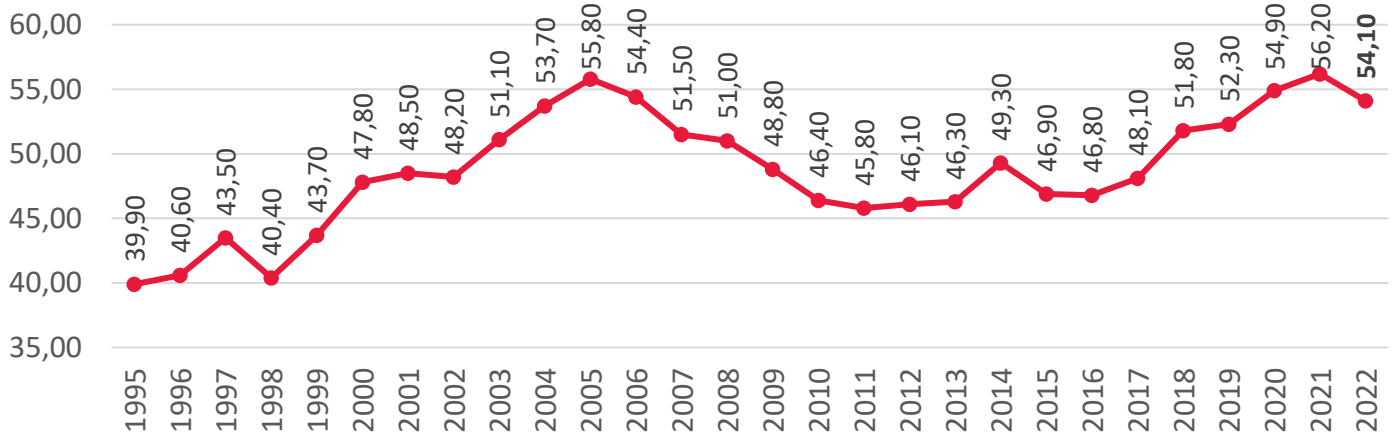
Index of Economic Freedom

The Heritage Foundation's annual Index of Economic Freedom measure economic freedom based on 12 quantitative and qualitative factors, grouped into four broad categories, or pillars, of economic freedom:

- **Rule of Law** (property rights, government integrity, judicial effectiveness);
- **Government Size** (government spending, tax burden, fiscal health);
- **Regulatory Efficiency** (business freedom, labor freedom, monetary freedom); and
- **Open Markets** (trade freedom, investment freedom, financial freedom).

Each of the twelve economic freedoms within these categories is graded on a scale of 0 to 100. A country's overall score is derived by averaging these twelve economic freedoms.

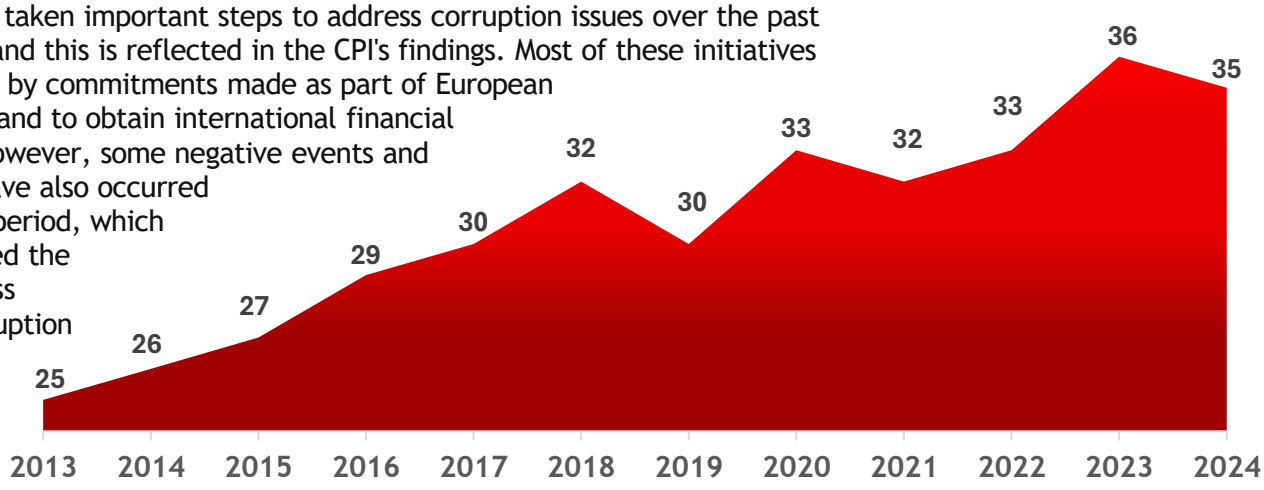
According to the report for 2022 (in 2023-2024, the index was not calculated for Ukraine), Ukraine has an indicator of 54.1 and occupies the position of a country with a largely unfree economy. Ukraine's economy is considered "free" or "mostly free" in terms of tax burden, trade freedom, fiscal health, and monetary freedom.



Index of Economic Freedom in Ukraine

Corruption Perceptions Index

Ukraine scored 35 points out of 100 in the 2024 Corruption Perceptions Index (CPI). Ukraine ranks 1 05th out of 180 countries. Compared to 2023, Ukraine lost 1 point. However, despite the full-scale war, Ukraine has taken important steps to address corruption issues over the past two years, and this is reflected in the CPI's findings. Most of these initiatives were driven by commitments made as part of European integration and to obtain international financial support. However, some negative events and decisions have also occurred during this period, which have reduced the effectiveness of anti-corruption measures.



Corruption Perceptions Index

The Global Innovation Index

The Global Innovation Index (GII) takes the level of innovation against a background of an economic and geopolitical environment fraught with uncertainty. It reveals the most innovative economies in the world, ranking the innovation performance of around 133 economies while highlighting innovation strengths and weaknesses.

Envisioned to provide the most comprehensive view of innovations, the Index comprises more than 80 indicators, including measures on the political environment, education, infrastructure and knowledge creation of each economy.

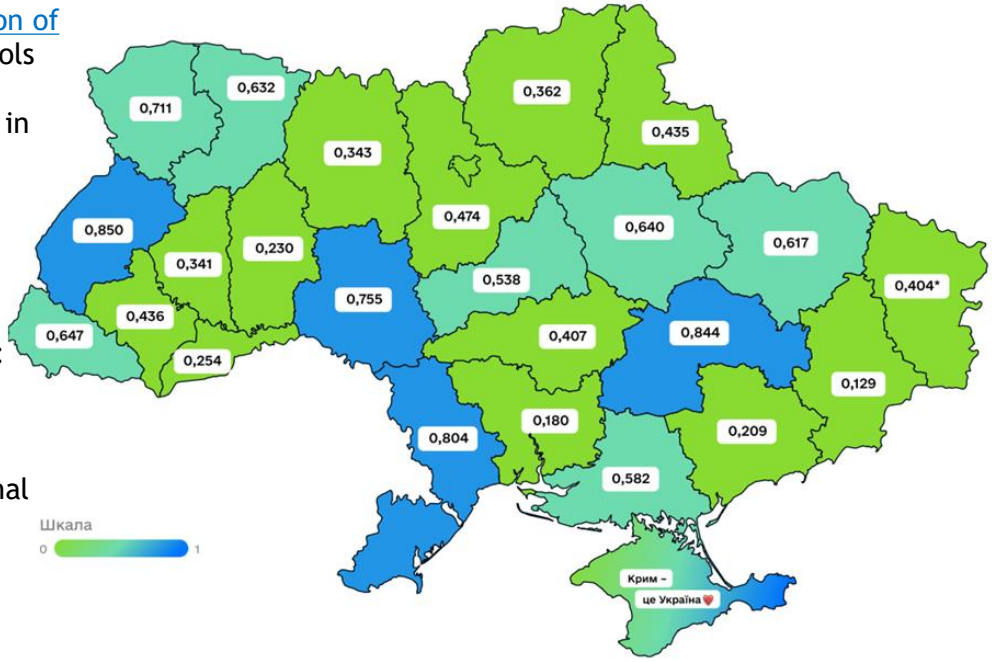
In 2024, Ukraine had the best positions in the indicators "knowledge and technology outputs" - 34th place in the ranking, "business sophistication" - 45th place in the ranking, "human capital and research" – 54th place.

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Rank	64	56	50	43	47	45	49	57	55	60
Score/ Value	36,5	35,7	37.6	38.5	37.4	36,3	35,6	31	32,8	49,7
Rank										
Institutions	98	101	101	107	96	93	91	97	100	**117**
Human capital and research	35	40	41	43	51	39	44	49	47	**54**
Infrastructure	112	99	90	89	97	94	94	82	77	**82**
Market sophistication	85	75	81	89	90	99	88	102	104	**85**
Business sophistication	78	73	51	46	47	54	53	48	48	**45**
Knowledge and technology outputs	34	33	32	27	28	25	33	36	46	**34**
Creative outputs	75	58	49	45	42	44	48	63	37	**68**

The Global Innovation Index (GII)

Index of digital transformation of Ukrainian regions

The Index of Digital Transformation of Ukrainian Regions is one of the tools for measuring the processes of informatization and digitalization in 24 regions, allows to study the capacity of authorities to make digital decisions, and determines the level of digital culture among citizens.



The index contains 9 main blocks: Institutional Capacity; Internet Development; ASC Development; Implementation of the Paperless Regime; Digital Education; Regional Business Card; Penetration of Basic Electronic Services; Sectoral Digital Transformation; Individual CDTO projects.

According to the survey in 2024, the average score of the Sectoral Digital Transformation is 0.497 of 1 possible. The highest scores are in the following sub-indices: Penetration of Basic Electronic Services (0.759), Institutional Capacity (0.687), and Internet Development (0.686). The lowest score was in the sub-index Implementation of Paperless Regime (0.421), which indicates the need to strengthen efforts in this area next year.

Open Data Maturity

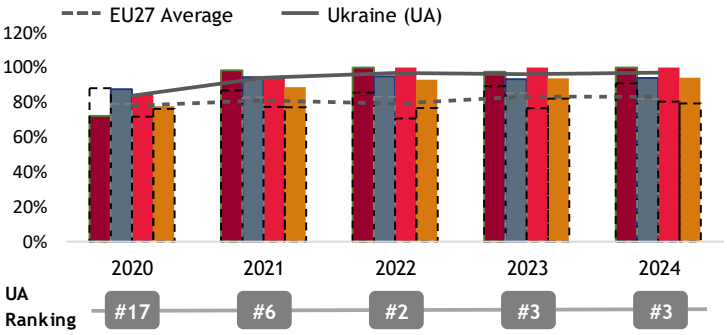
The Open Data Maturity (ODM) assessment is an annual exercise conducted to measure the progress of European countries in promoting and facilitating the availability and reuse of public sector information.

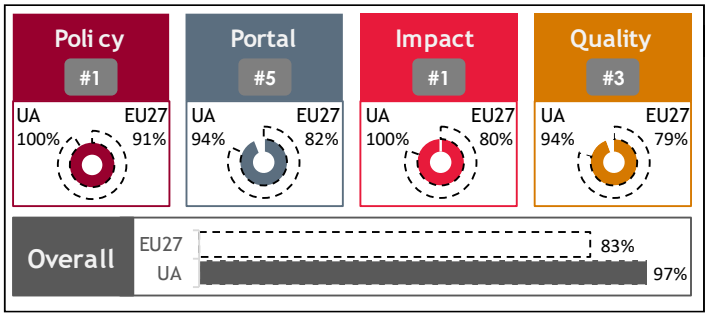
Experts evaluate over 165 indicators grouped into four categories:

- Open data policy
- Operation of the national portal
- Impact of open data on key areas of life
- Quality of published data.

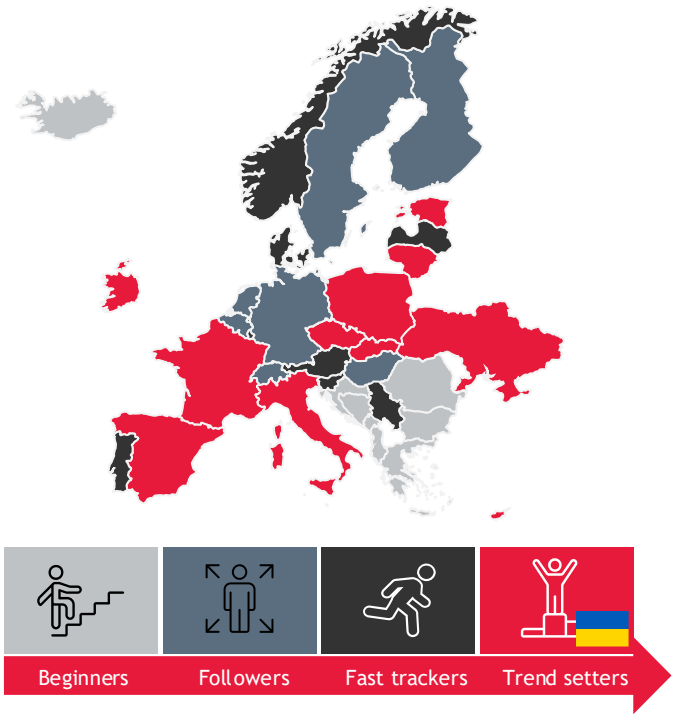
The 2024 report evaluated 34 countries. France showed the best results, followed by Poland and Ukraine. The national level of open data maturity is estimated at 97%, while the European average is 83%.

MATURITY LEVEL RATING

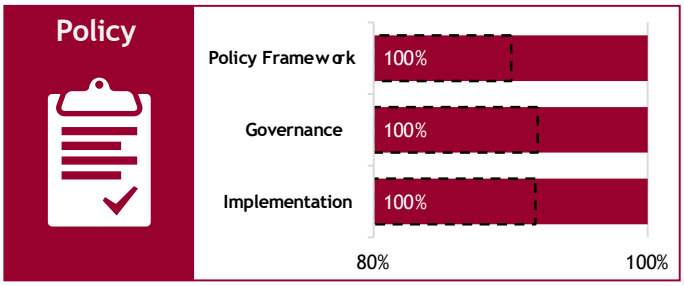


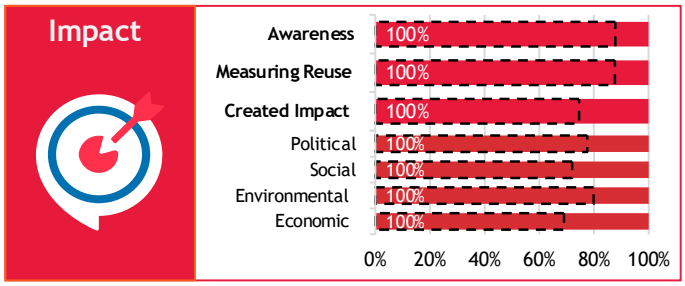


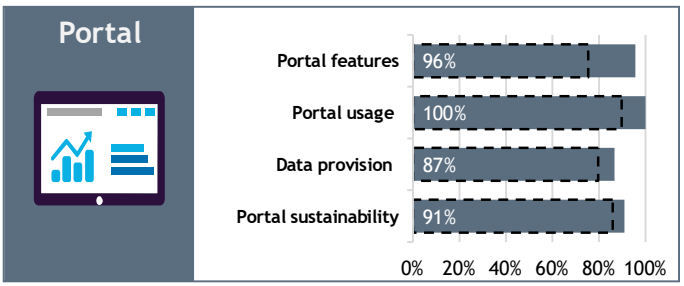
OVERALL MATURITY LEVEL SEGMENTATION

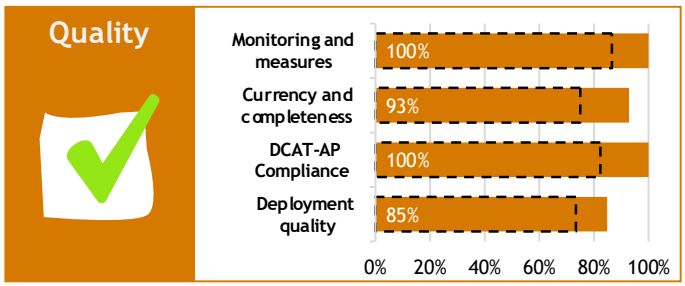


DIMENSION PERFORMANCE









EU27 Average X % Ukraine

Open data in Europe 2024 | data.europa.eu

E-Government Development Index

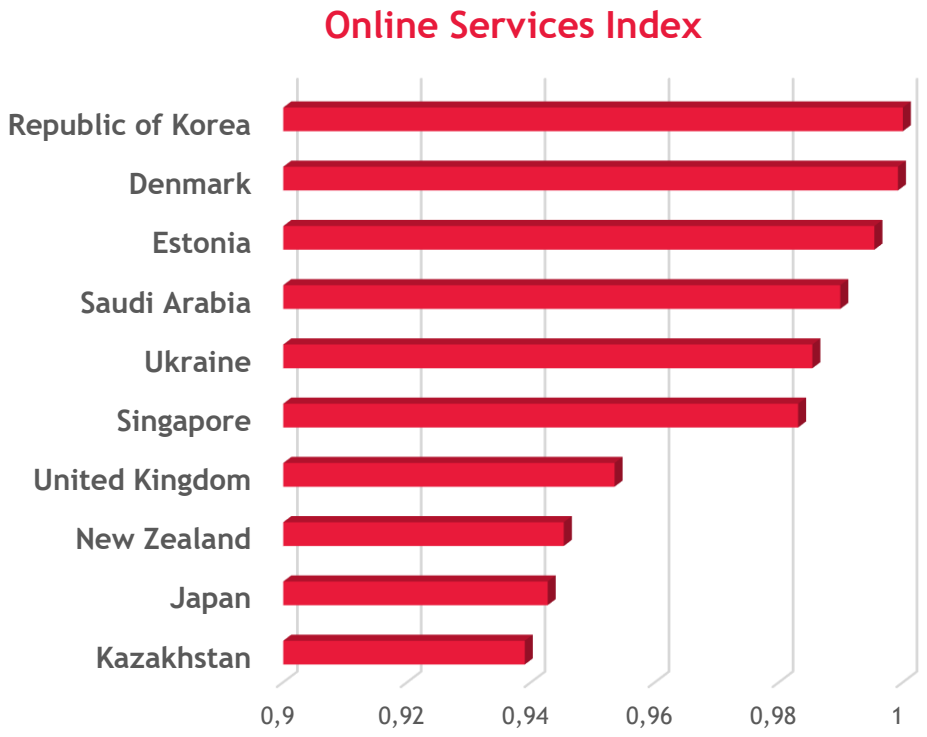
The United Nations E-Government Survey is a biennial project and publication created by the United Nations Department of Economic and Social Affairs (UN DESA) starting in 2001. The Survey evaluates the e-government development status of all 193 United Nations Member States. E-government development is monitored by the United Nations E-government index (EGDI) which measures progress at the national level. The EGDI is a composite calculated from weighted average of three normalized indices:

- Telecommunications Infrastructure Index (TII)
- Human Capital Index (HCI)
- Online Service Index (OSI)

In 2024, Ukraine ranks 30th in the world according to the E-Government Development Index.

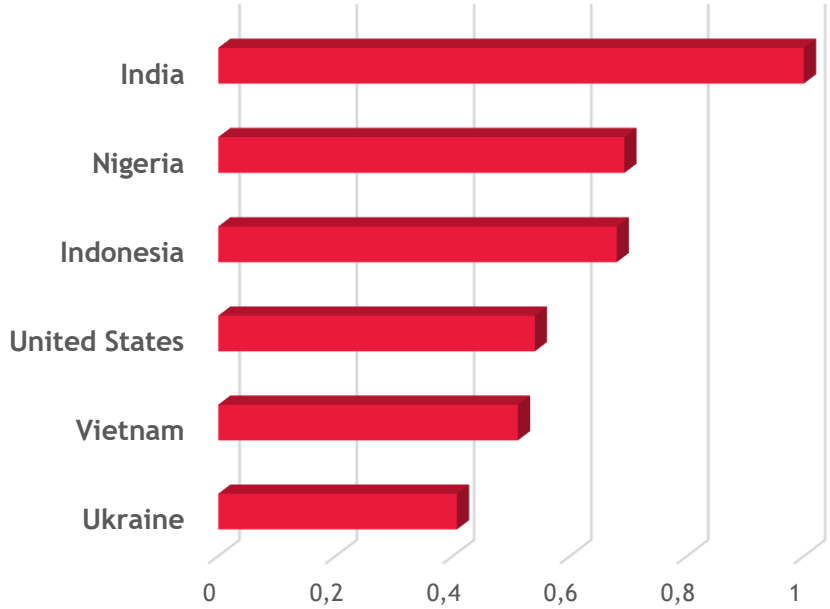
Ukraine ranked fifth in the digital public services index (Online Service Index), 78th in the Telecommunications Infrastructure index (reflecting the level of public access to the Internet and other digital tools), and 47th in the Human Capital Index (assessing the level of literacy and access to education).

Ukraine ranked first in E-Participation (an additional indicator to the EGDI that measures the extent to which citizens are willing to engage in government processes through online platforms).



E-Government Development Index

The 2024 Global Adoption Index



The Global Crypto Adoption Index is made up of four sub-indexes, each of which is based on countries' usage of different types of cryptocurrency services.

Ukraine has a key role in the crypto economy in Eastern Europe, despite the war and economic challenges. In 2024, it was ranked 6th in the global cryptocurrency adoption ranking, retaining its leading position in Eastern Europe thanks to its active participation in the DeFi sector and retail operations.

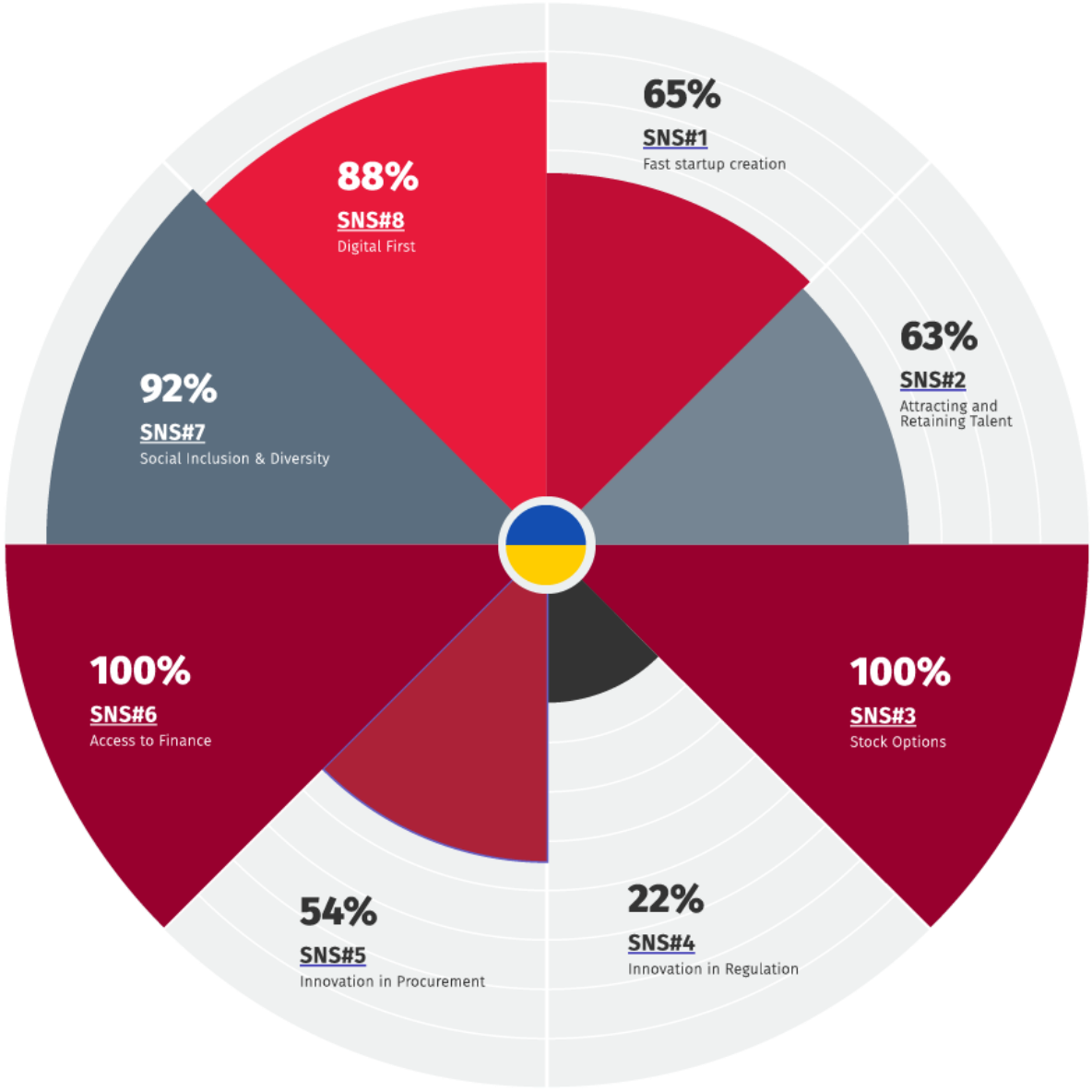
2024 Global Crypto Adoption Index - Chainalysis

Startup Nation Standards (SNS)

Startup Nation Standards (SNS) Report — is an annual study that assesses initiatives and challenges in Europe's startup ecosystems. The report focuses on the implementation of eight key startup support standards in different countries, highlighting the importance of cooperation to enhance competitiveness. It also assesses progress in digitalisation, social inclusion and the effectiveness of startup-friendly policies in Europe.

Ukraine received the best positions in the following indicators:

- Speed of starting a business online: With Diia service, it takes just a few minutes to register a company in Ukraine.
- Access to finance: The Ukrainian Startup Fund, which is recognised as an effective support tool, has already provided 570 grants in the amount of UAH 423 million.
- Accessibility of digital public services: The development of digital services makes it easier to do business by reducing bureaucratic barriers.
- Favourable tax environment: Diia.City's special legal and tax regime provides tech companies with opportunities to attract investment.



Startup Nation Standards (SNS) Ukraine

Ukrainian investment projects ecosystem

State

Public Investment Management (PIM) system is built around a single, project cycle, with the Ministries of Finance, Economy, and Community and Territorial Development. There is a Strategic Investment Council which sets priorities.

This unified system replaces previous multiple funding channels by implementing a Single Project Pipeline (SPP), encompassing all national, regional, and municipal projects.
Project Preparation Facility (PPF) is being designed and developed with the technical support of the World Bank and managed by the Ministry of Economy to help to enhance projects from SPP.

800+ projects

USD 62.5 bln

See page 14 for more details

Municipal

DREAM - a state Digital Restoration Ecosystem that creates a single pipeline for all recovery and moderni-zation projects initiated by communities. The platform ensures their transparent and efficient implementation at the national, regional, and local levels.

According to the Government's action plan for implementing the 2024-2028 Roadmap for PIM Reform, the MoE is working on an updated methodological framework, transforming the approach to prepare, submit, evaluate, and monitor public investment projects.

11,535 projects

USD 31.9 bln

See page 14 for more details

Private

Multiple initiatives exists for listing Private Investment Projects and to streamline their preparation.
FIRST program by EBRD is one of the technical support assistance.

- Investment Opportunities Map of Ukraine by EBA

190 projects

USD 6.2 bln

See page 15 for more details

- Ministry of Economy facilitates creation of comprehensive "Investment Guide" of Private investment initiatives in different spheres.

95 projects

USD 27.1 bln

See page 16 for more details

FDI attraction

Advantage Ukraine is an initiative of the Government of Ukraine to promote foreign direct investment

500+ projects **USD 400+ bln**

See page 16 for more details

FDI attraction

UkraineInvest – state investment promotion office offers incentives for 12 mln+ EUR investments

Web Portal

PPP

Ukraine is now undergoing through PPP reform, waiting for es legislation, which will be aligned to EU standards.

Ukrainian state PPP Agency that supports large infrastructural projects

13 projects

See page 16 for more details

Unified portfolio of public investment projects (list of priority public investment projects)

The Strategic Investment Council approved the Unified Project Portfolio for Public Investments, which identifies priority areas for financing by the state and international partners. The single project portfolio of public investments consists of 800 projects worth UAH 2.6 trillion.

The total resource of the State Budget of Ukraine to finance public investment projects in 2025 is UAH 256.1 billion, including UAH 186.9 billion of revenues from international financial organizations and donors (loans, grants, state guarantees).

One of the priorities of the Government is to increase the resilience and restore the energy system of Ukraine, UAH 51.3 billion is provided for relevant public investment projects in 2025 at the expense of loan funds and grants, state guarantees on the basis of international agreements.

DREAM platform (Digital Restoration Ecosystem for Accountable Management)

DREAM is a unique state communication platform for the digital ecosystem of restoration management by the Ministry for communities, territories and infrastructure development of Ukraine.

DREAM is being implemented following the Resolution No. 1286 of the CMU dated 15.11.2022 "On the implementation of a pilot project on the creation, implementation and maintenance of the Unified Digital Integrated Information and Analytical System for the Management of the Reconstruction of Real Estate, Construction and Infrastructure".

DREAM is created as a universal electronic system that provides a convenient and transparent way to manage all reconstruction projects in the country. The system allows collecting all project data in real time and provides it in the format of convenient tables, graphs and charts. This simplifies project analysis and projects and provides open access to information through the publication of data in accordance with the global Open Contracting Data Standard. An important aspect is that DREAM maintains full transparency at all stages of the project life cycle, which allows for effective monitoring and evaluation of processes — from registration of damage and destruction to financing, procurement, and completion of construction work.

The key users of the DREAM:

- Local governments
- Central executive authorities
- International financial organizations and investors
- Business representatives
- Journalists
- Civil society activists

Project managers create their own profile in the e-cabinet and get appropriate access to the necessary management and control tools. The public, in turn, has access to all system data as user-friendly dashboards in the analytics module.

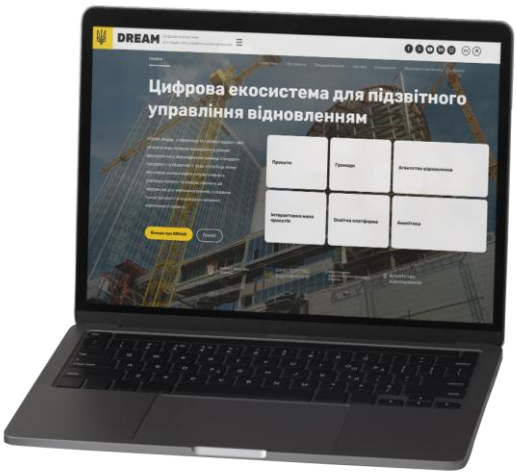
DREAM provides support on all stages:

- Fixation of losses and needs assessment
- Planning and public hearings
- Projects preparation
- Creating a bank of projects
- Commissioning, reporting
- Project implementation
- Procurement preparation
- Funding allocation

DREAM is designed as a universal electronic system that provides a convenient and transparent way to manage all reconstruction projects in the country. The system collects all project data in real time and provides it as user-friendly tables, graphs, and charts. This makes it easier to analyze and manage the projects and provides open access to information through the publication of data in accordance with the global Open Contracting Data Standard. An important aspect is that DREAM is fully transparent at all stages of the project life cycle, making it possible to effectively monitor and evaluate processes — from registration of damages and destructions and to financing, procurement, and completion of construction works.

DREAM consists of two levels:

- The first level consists of already existing state registers and systems, such as the Register of damaged and destroyed property (RDP), Geographic information system (GIS), DIIA, Prozorro, Spending.gov.ua, and others. They form a unified digital route for each project.
- The second level is an "umbrella" system that combines all these registers and provides user-friendly access to data through management and control tools at all stages. As a result, stakeholders can track projects in real time and make informed decisions about infrastructure development.
- Currently, over 530 governing bodies are actively operating within DREAM, including representatives from 500 municipalities (hromadas), 19 regional military administrations, five ministries, the Agency for Restoration, and other organizations.



As of September 2024, the portal featured 7634 projects from 11 sectors of the economy with a total budget of about UAH 406 billion (about USD 9,8 billion).

For more information, see the DREAM Overview and DREAM ecosystem`s benefits and functionality.

Investment Opportunities Map of Ukraine

European Business Association and Global Business for Ukraine, together with Ukraine Invest, launched a Map of investment and business opportunities in Ukraine.

An innovative interactive tool designed to assist potential investors in exploring **the vast array of investment opportunities** available across different regions of Ukraine. This powerful platform provides comprehensive information on each opportunity, enabling investors to make informed decisions based on their interests and preferences. Additionally, users have the option to express their interest in a particular project by submitting a request through the platform.

The investment map showcases detailed insights into **every region of Ukraine**, encompassing essential factors such as **size, population, taxation regulations, educational institutions, abundant natural resources, and thriving industries.**

Projects featured on the map are conveniently categorized based on either **region or industry**, allowing users to effortlessly navigate through their preferred sectors of interest. Each project description includes vital details such as the **initiator, current status, precise location, investment opportunity, required investment** amount, as well as specific goals and deadlines.

We are proud to announce that **representatives from BDO in Ukraine** actively participate in the Advisory Board responsible for meticulously selecting projects for placement on the map. This ensures that only the most promising and **high-potential opportunities** are showcased, providing investors with a reliable and credible resource.

Investment Guide for Ukraine by the Ministry of Economy of Ukraine

The Ministry of Economy of Ukraine with the KSE Institute developed the INVESTMENT GUIDE UKRAINE, which was specifically prepared for the Ukrainian Recovery Conference in Berlin in June 2024. BDO was actively involved in the process of creating this Guide.

The document presents an overview of the Government's priority sectors of the economy, the investment environment, and the key information for investors and other stakeholders about economic policy, recovery, and investment activity in Ukraine.

This guide presents 95 investment projects with a total value exceeding $27 billion across various sectors of Ukraine's economy, including:

- Energy
- Transport and logistics
- Agrifood
- Green steel
- Pharmaceutical and medical sectors
- Critical materials
- ICT and digital technologies
- Housing, reconstruction and building materials.

Advantage Ukraine

The Advantage Ukraine platform is an initiative of the Ukrainian government aimed at attracting foreign investment and demonstrating the country's economic potential.

The platform features over 500 investment projects and opportunities in 10 key sectors of the economy: Defense industry; Metallurgy and metalworking; Power industry; Agro-industrial complex; Woodworking and furniture manufacturing; Innovations and technologies; Logistics and infrastructure;

Pharmaceutical industry; Natural resources; Industrial production.

The total potential of investment opportunities on the platform is estimated at more than USD 40 billion. By registering on the platform, potential investors can get detailed information about each project, including a description, financial indicators and contact details of the initiators.

The State Organization Agency on Support Public-Private Partnership (PPP Agency)

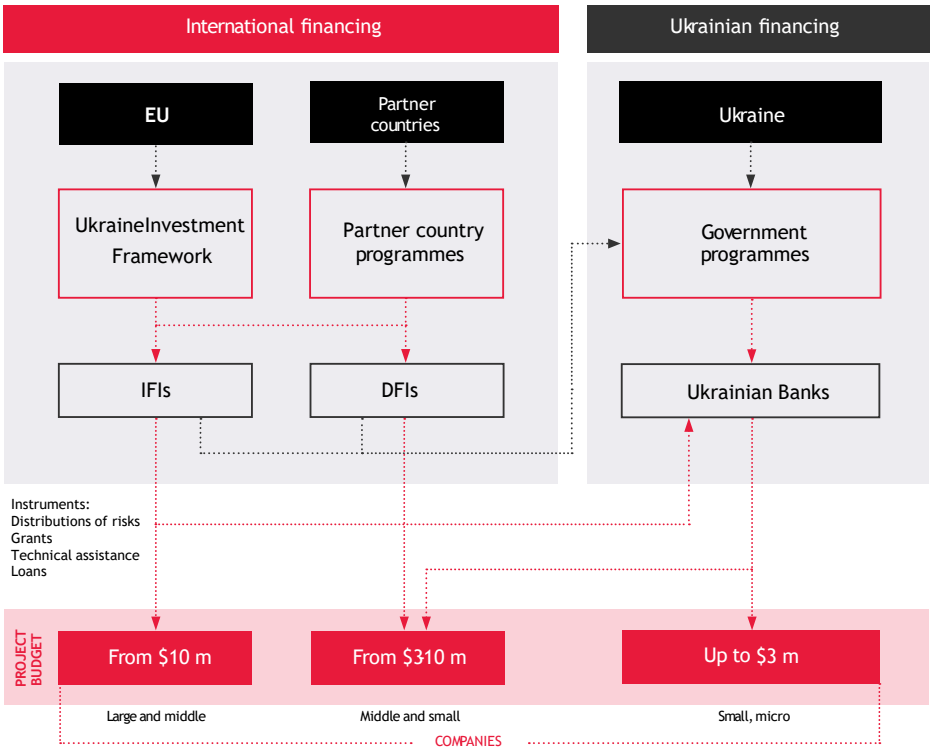
The PPP Agency is an effective institution that provides comprehensive organizational and advisory support to the public sector for the well-structured preparation and implementation of PPP projects, contributing to the achievement of the Sustainable Development Goals. The Agency was established on 2 November 2018 on state property and belongs to the management sphere of the Ministry of Economy of Ukraine.

The PPP Agency's platform represents 13 projects aimed at modernizing and developing Ukraine's infrastructure through the attraction of private investment. They cover key industries such as transportation (seaports, airports, railway terminals), energy, utilities and other important sectors of the economy.

The Practical Handbook with comprehensive overview of available instruments for financing businesses in Ukraine

KSE Institute in collaboration with the Ministry of Economy of Ukraine prepared The Practical Handbook with comprehensive overview of available instruments for financing businesses in Ukraine. Programs by IFIs, DFIs, Ukrainian Banks, and Insurance Companies.

Map of financing programs for Ukrainian business, including projects in the energy sector



This Handbook offers practical insights on securing funding through various channels, including government support programs like Affordable Loans 5-7-9, grants, and financing options from international financial institutions and partner countries. It provides comprehensive details on international financial institutions (IFIs) and development financial institutions (DFIs), guidance on working with them, and expert tips for entrepreneurs on preparing and submitting funding applications.

- Ukraine Investment Framework (UIF)
- Available Instruments
- International Financial Institutions (IFIs)
- Development Financial Institutions (DFIs)
- Ukrainian Banks Programmes
- Insurance Programmes

Unified State Electronic System in the Construction Industry (e-construction) in Ukraine aims to organize the construction process, making it transparent and corruption-free through maximum public information disclosure. This system is designed to manage the entire lifecycle of a construction project, from obtaining urban planning conditions to commissioning. It centralizes and standardizes data from various sources, with most construction-related information and documentation expected to be created within the system by relevant entities.

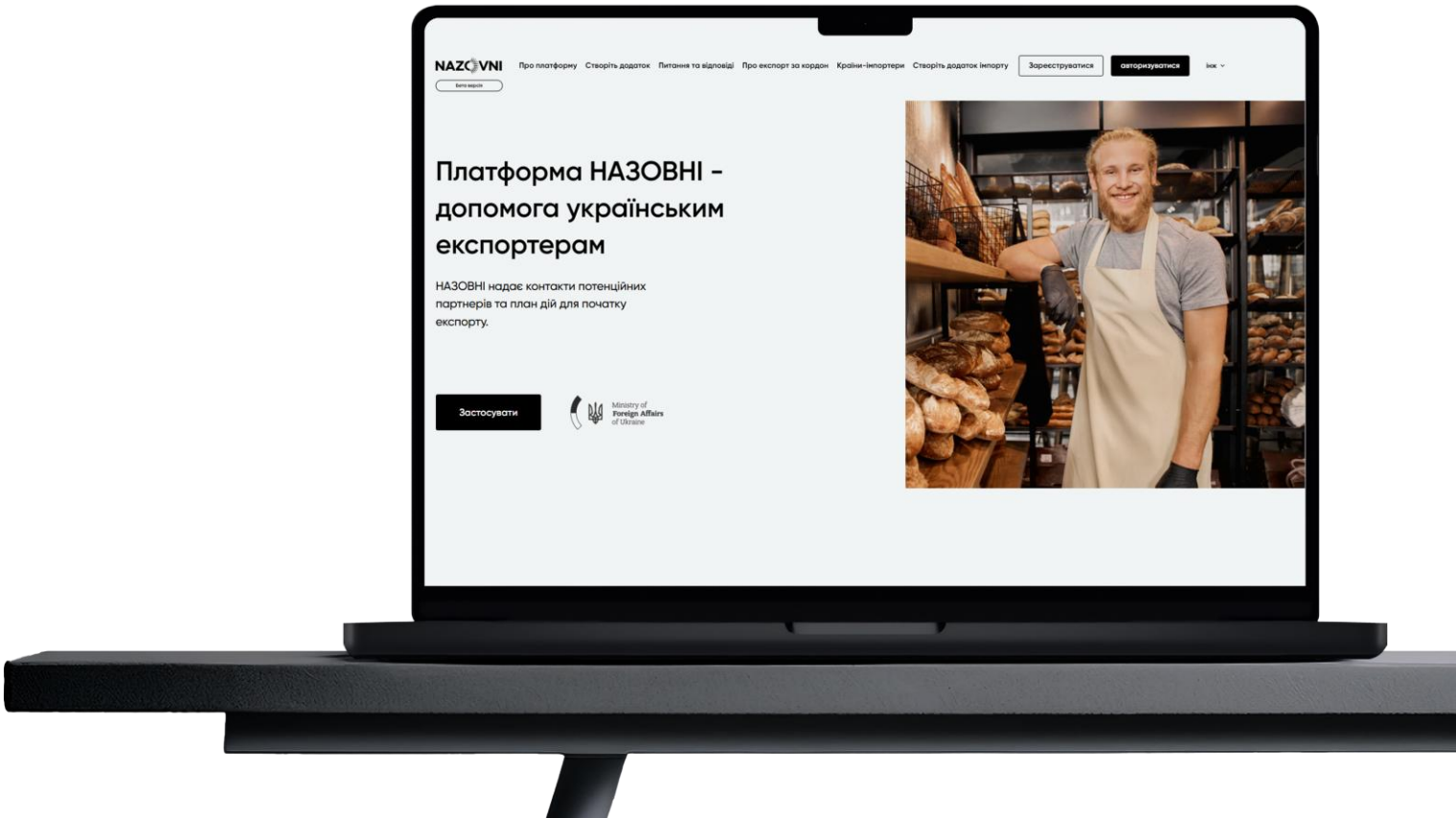
NAZOVNI platform - assistance to Ukrainian exporters

NAZOVNI.Online is a platform created with institutional and information support of the Ministry of Foreign Affairs of Ukraine providing a great resource of economic diplomacy to the business. This is an effective digital tool for Ukrainian exporters and foreign companies - importers. With a great number of Ukrainian businesses from various spheres and detailed importers' needs, one can create "it's a match" and find new reliable partners. Not only goods, but services as well, more than 2500 Ukrainian exporters are registered at the Platform, the sectors are various: food and confectionary, fruits and berries, agricultural commodities, drinks and beverages, different textile, decor, light and furniture, cosmetic and pharmaceutical industries, metal-plastic constructions, wood, packaging industry, industrial electrical equipment and engineering, machinery, stones, modular houses and construction, IT and other services and much more.

For Ukrainian companies Platform provides applications for market analysis and export promotion, beneficial conditions in exhibitions and a variety of trainings.

For the foreign company to find a partner via NAZOVNI.Online Platform it is necessary to visit the website and create an Import application in English. Fill in all the required information at Import application page, send and wait to be verified by the administrators. The NAZOVNI.Online team will contact you and provide the list of relevant Ukrainian companies that can be contacted directly. In case there is a specific company that is required, please let us know and we will find it for you. We will do our best to create a great partnership.

As the result for 3 years of operation Nazovni.Online has more than 11,000 export applications, 1000 market analysis applications, 200 applications from foreign buyers from more than 40 countries and 300 signed contracts in different countries. Apart from that the team jointly with economic diplomats provided to 500+ companies participation in 100+ expo events on beneficial conditions, and held 20+ retail campaigns abroad.
Nazovni.Online is a tool to support the economy of Ukraine and an opportunity to partner with verified Ukrainian business.



International Chambers of Commerce / Business Associations

International Chambers of Commerce & Business Associations play a pivotal role in facilitating foreign investment in Ukraine. These organizations serve as a bridge between investors and the local business landscape, offering invaluable insights, networking opportunities, and tailored support services. Whether you are looking to understand market dynamics, regulatory frameworks, or seek potential business partners, these chambers provide a comprehensive suite of resources to ensure a smooth and successful entry into the Ukrainian market.

Contact your local Chamber or Business Association for more information.

Chamber of Commerce	Location	Website
American Chamber of Commerce Ukraine (ACC)	Ukraine	www.chamber.ua
Australia-Ukraine Chamber of Commerce (AUCC)	Ukraine / Australia	www.aucc.biz
British Ukrainian Chamber of Commerce (BUCC)	Ukraine / United Kingdom	www.bucc.com.ua
Canada-Ukraine Chamber of Commerce (CUCC)	Ukraine / Canada	www.cucc.ca
Chamber of Commerce Switzerland - Ukraine (HSU)	Switzerland	www.hsu.ch
Danish Business Association	Ukraine	www.dba-ukraine.com
French-Ukrainian Chamber of Commerce and Industry (CCIFU)	Ukraine	www.ccifu.com.ua
German-Ukrainian Chamber of Industry and Commerce (AHK Ukraine)	Ukraine	www.ukraine.ahk.de
International Turkish Ukrainian Business Association (TUID)	Ukraine	www.tuid.org.ua
Italian Chamber of Commerce in Ukraine (CCIPU)	Ukraine / Italy	www.ccipu.org
Netherlands-Ukrainian Chamber of Commerce (NUCC)	Netherlands	www.nucc.nl
Norwegian-Ukrainian Chamber of Commerce (NUCC)	Norway	nucc.no
Polish-Ukrainian Chamber of Commerce	Ukraine / Poland	www.pol-ukr.com
Spanish-Ukrainian Chamber of Commerce (CCIU)	Spain	www.spain-ukraine.com
Swedish Business Association in Ukraine (SBA)	Ukraine	www.sba.org.ua
Swedish-Ukrainian Chamber of Commerce	Sweden	www.svensk-ukrainsk.se
Ukrainian-Austrian Association	Ukraine	www.ukrainian-austrian-association.com
Ukrainian Business Council in UAE (UBC)	UAE	www.ubcdubai.org
Ukrainian Chamber of Commerce Panama	Panama	www.uccpanama.org
Ukrainian-Czech Chamber of Commerce (UKRCHAM)	Czech Republic	www.ukrcham.cz
Ukrainian-Danish Chamber of Commerce	Denmark	www.uadkcc.com
Ukrainian-Estonian Chamber of Commerce (UECC)	Estonia	www.uecc.ee
Ukrainian-Lithuanian Chamber of Commerce	Lithuania	www.ulcc.lt
Ukrainian-Swiss Business Association (USBA)	Switzerland	www.ukraine-swiss.ch

Ukrainian companies and companies with significant Ukrainian exposure in which you can invest

Ukrainian exposure can be obtained not only with direct investments in Ukrainian assets but also through different Ukrainie-exposed stocks and Eurobonds / military bonds.

Astarta Holding N.V (ASTH, WSE)

One of the largest agro-industrial holdings in Ukraine:

- 220 kha under management;
- sugar production: №1 producer in Ukraine with 250 – 500 thousand tons of sugar production per annum;
- cattle farming: №1 producer of industrialized milk in Ukraine with more than 100 thousand tons of milk production per annum and 25.5 thousand heads of cattle;
- soybean crushing: №2 in soybean processing in Ukraine with a crushing capacity of 230 thousand tons;
- bioenergy: designed daily capacity of 150 thousand m2 of biogas;

At the beginning of the full-scale invasion, Astarta's shares lost nearly 70% of their value compared to their early 2022 levels. As of May 2024, the stock price stands at 26 PLN, down from 40 PLN at the start of 2022. However, since the beginning of 2023, the stock has experienced a 20% increase.

The annual financial report for Astarta gave hints on how the company was doing in 2023. Revenue grown by (+21%) from EUR 510 to 619 mln, with the main contributor being agriculture which contributed 38% of consolidated revenue and grew by (+33%) y-o-y. EBITDA declined from EUR 154 million to 145 mln for of about –(-6%). The growth in terms of revenue could be explained through increased production volumes of crops and sugar while reduced EBITDA and growing cost of sales represent higher costs for exports as well as higher management fees.

Ovostar Union N.V. (OVO, WSE)

One of the largest egg producers in Europe:

- Near 7 million laying hens;
- Ovostar Union supplies 55 countries with fresh eggs; 40% of total sales are exports;
- Manufacturing eggs in various forms: liquid, in-shell, dry;
- Revenue in 2022 was USD 135.6 million.

From the beginning of 2022 to its lowest point, OVOSTAR's share price lost up to 45% of its original value. However, from the start of 2023 to May 2024, the share price increased by over 50%, reaching 67.80 PLN. This increase restored the stock price to its pre-invasion level.

MHP (MHPCq, LSE)

MHP is the largest integrated Ukrainian producer and exporter of poultry and crops, as well as other meat and sausage products and ready-to-eat meat products.

The company specializes in the production of poultry and, in particular, the cultivation of cereals:

- he leading producer of poultry in Europe with one of the strongest food brands in Ukraine, producing almost 670 thousand tons in 2022;
- One of the largest grain producers and oilseeds processors in Ukraine with significant growth potential (340 ths ha of arable land in 2022 under management);
- At the beginning of the full-scale invasion, the MHP shares lost about 50% of their value compared to the beginning of 2022 and as of February 2024 remain on the same level (slight growth of 10% since the beginning of 2023).

Export revenue increased by (+13%) in 2023 year.Revenue for the 2023 grown from USD 2,6 to 3 mln (+14%) compared to 2022, EBITDA increased by (+16%) - USD 384 to 445 mln.

Mlk Foods Public Company Ltd / Milkiland (MLK, WSE)

MLK Foods is an international dairy producer with core operations in the CIS and EU:

- The Group's production assets are located in Ukraine. The total annual milk processing capacity exceeds 500 thousand tons;
- Controlled through the Group's subsidiary Milkiland Ukraine and includes milk processing 10 diary processing plants, dairy farming, and an extensive milk collection system throughout Ukraine.

Stock prices have fallen 67% from the end of 2021 to the lowest point in 2022 year and additionally lost 35% from the beginning of the 2023 till May 2024, as the Company used to have financial issues before full- scale invasion and war only increased the pressure.

IMC SA (IMC, WSE)

IMC - is among top 10 Ukrainian agriculture companies operating 120 thousand hectares of arable land in key farming regions of Ukraine (Poltava, Chernihiv, Sumy).

Revenue increased from USD 61.8 to 98.7 mln (+60%) in 9M 2023 compared to the same period of 2022 year. EBITDA decreased from USD 36.8 to 13.8 mln (-62%), due to decrease of crop prices in 9M 2023.

In 2023 revenue increased from USD 114 to 139 mln (+22%) y-o-y. EBITDA decreased from USD 36 to 3mln (-91%), due to drop of oilseeds and grain prices as well as raise of sales cost.

EPAM Systems Inc (EPAM, NYSE)

EPAM is IT company named a Forbes global 2000 company in 2011, works in over than 50 countries:

- 55 600 employees worldwide, largest number of EPAM employees is in Ukraine – 11 300;
- EPAM is part of the S&P 500 index since 2021.

In 2022, EPAM's revenue reached USD 4,824 million, marking a 28% increase from USD 3,758 million in 2021. Net income also saw growth, with a rise of over 13% in 2022 to USD 481.7 million, up from USD 419.4 million in the previous year.

KSG-Agro (KSG, WSE)

KSG-Agro is one of Ukraine's leading agribusiness holdings, engaged in grain cultivation, oilseed production, and livestock farming:

- The group manages over 24,000 hectares of arable land, ensuring high production volumes of both grain and oilseed crops.
- Strategic investments in modern agricultural technologies and infrastructure development are reinforcing the company's positions in market.

Military Bonds

Ukraine has issued a series of war bonds to raise financing and support the army. These bonds can be purchased by Ukrainian legal entities and individuals, as well as foreign investors who want to support Ukraine. The bonds can be nominated and purchased in UAH, USD, or EUR. The most recent auction held on January 30, and issued bonds equivalent to UAH 1.6 BLN.

The war bonds offer up to an 18.5% yield, which surpasses the US Treasury bill, which offers max yield of 5.35%.

Canada Ukraine Sovereignty Bond

If you want to support Ukraine with your investment, then Ukraine Sovereignty Bond can be a stable option. These are bonds, issued by Canada for five years for CAD 500 million. The bonds are issued in Canadian dollars and have an interest rate of 3.245%. According to the terms, the Canadian government will transfer the funds collected from the sale of bonds to Ukraine through the IMF Administered Account for Ukraine.

Ukrainian Eurobond

Ukrainian sovereign Eurobonds have been under significant pressure since the onset of the war. Approximately 50% of the Ukrainian budget (specifically its social component, excluding the military) is supported by international donors. Given this, restructuring of at least the upcoming issues seems plausible.

There's also a unique instrument – the GDP-linked Warrants. In 2015, Ukraine issued GDP warrants worth $3.6 billion to make its restructuring of $15 billion of debt more appealing. This restructuring required investors to write off 20% of the original value of their assets. However, these warrants provide a potential benefit linked to GDP growth between 2021 and 2040. If the real, inflation-adjusted GDP growth surpasses 3%, Ukraine commits to paying warrant holders an amount equivalent to 15% of the economic output exceeding this threshold. This percentage escalates to 40% if the growth surpasses 4%.

Eurobonds from the corporate and banking sectors have demonstrated better resilience compared to the sovereign ones, attributed mainly to a healthier financial situation. This is particularly true for the banking sector, where liquidity has reached an all-time high, thanks to successful reforms implemented between 2015 and 2016. Some entities, like MHP, plan to repurchase a portion of their own bonds, viewing it as a strategic investment given the prevailing circumstances.

Ukrainian Bonds and Eurobonds (02.2025)					
SOVEREIGN	PRICE	YTM %	CORPORATE /BANKS	PRICE	YTM %
GDP Warrants	87.00	0.00	DTEK Energy 27	76.00	18.45
Ukraine B30	59.50	12.90	DTEK Oil & Gas 26	92.00	12.10
Ukraine B34	46.25	12.25	DTEK Renewables 24 (EUR)	92.00	12.40
Ukraine B35	69.00	7.20	Interpipe 26	94.50	13.55
Ukraine B36	68.50	7.30	Kernel Holding 27	94.00	9.35
Ukraine A29	74.25	13.40	MHP 26	97.50	9.45
Ukraine A34	61.25	12.75	MHP 29	90.00	8.95
Ukraine A35	60.50	12.55	Metinvest 25 (EUR)	98.00	11.70
Ukrenergo 28	81	12.95	Metinvest 26	90.50	17.75
			Metinvest 27	83.50	15.55
			Metinvest 29	80.50	13.55
			Naftogaz 25	98.00	12.45
			Naftogaz 26 (EUR)	91.50	14.10
			Naftogaz 28	85.50	13.35
			Ukrainian Railway 26	88.00	18.40
			Ukrainian Railway 28	81.00	15.25
			VF Ukraine 27	100.50	3.20
			Oschadbank 25	99.00	21.75
			Ukreximbank 29	91.00	13.05

Military Tech

Investment in Ukrainian military technology (MilTech) startups has been on the rise since the start of the Russian invasion in 2022. Ukrainian government is actively supporting the MilTech industry through schemes such as Brave1 MilTech start-up accelerator which for this year it has a $40m fund for.

More than forty five MilTech companies operate publicly within Ukraine, but hundreds more are operating anonymously and in stealth mode with their focus primarily on air, sea and ground drones as well AI systems to enhance drone accuracy and electronic warfare (EW) equipment for defense against enemy drones and their EW.

Funding MilTech startups does not only support Ukraine's defense efforts but also makes an attractive business case for investors who seek fast growing organizations that can impact globally as active phase of war provides unique opportunity to test all the new systems on battlefield skipping a number of intermediate stages to final practical result.

Moreover, MilTech includes not only offensive technologies but also defense in all means starting from early detection to passive and active defense systems

Some of the major Ukrainian MilTech firms include:

- **TELETACTICA** - Established in 2023 TELETACTICA designs long-range radio communication systems (EW-resistant telemetric and video communication modules) and offers R&D support services to local businesses.
- **Promin Aerospace** - Founded by Misha Rudominskyi, Promin Aerospace is working on innovative aerospace technologies: the company created a rocket that can deploy payloads into orbit in a revolutionary new way by using the proprietary method of gasification and subsequent burn of the solid fuel tank material in the rocket engine
- **Himera** - Co-founded by Misha Rudominskyi and Oleksii Oliynyk, Himera focuses on developing cutting-edge military technologies focusing on secure and EW-resistant communication system (FHSS technology) which can be used as a part of operational awareness system during combat operations
- **UKRSPEC Systems** – Founded in 2014, at the beginning of the russian intervention. Producing one of the most famous Ukrainian fixed-wing and rotor drones. Famous for their SHARK drone observing systems which include a full system, complicated with UAV software and camera gimbal
- **GRISELDA** – a relatively small company, with high ambitions for the development unique observing system. Their main aim is to process large streams of data and provide analysis through Neural networks and other modules. Ther famous DeepState map is created in collaboration with GRISELDA.
- **Piranha-Tech** – a company founded in 2014m specializes on manufacturing of EW systems. Their solutions create protective jamming domes against satellite navigation and drones. Piranha-Tech are famous for compact design and high reliability of their products.
- **SkyLab UA** – Established in 2023 as company thet specialises in development and production of robotic systems and UAVs for military. Their most famous product is the Sirko-S1 UGV – ground drone with advanced camera and laser orienting system, and with the feature of autonomous following of person.

Accessing Ukraine's Domestic Government Bonds for Foreign Investors

Foreign investors have the opportunity to purchase domestic government bonds (DGB) in Ukraine. From April 1, 2023, the National Bank of Ukraine allowed foreign investors to repatriate abroad the interest received from DGB, provided that the investor has held these DGB for at least the last 90 consecutive calendar days before receiving the interest. This decision is aimed at stimulating investment and developing the government bond market.

Currently, the NBU is the depository for DGB, meaning it is the institution that maintains centralized accounting of DGB in a non-documentary form. More information about the domestic government bond market can be found on the National Bank of Ukraine’s website.

To purchase DGB, foreign investors need to open a securities account through investment companies or banks, sign a bond purchase agreement, and deposit the corresponding amount into the account. Banks and investment companies buy DGB from the Ministry of Finance at auctions and then set their price and other conditions when selling to clients. DGB can also be purchased through financial companies that have licenses for securities operations

Sanctions and Restrictions for Non-Resident Companies in Ukraine

Ukraine has the right to impose sanctions to protect its national interests, security, sovereignty and territorial integrity. Sanctions may be imposed by Ukraine against a foreign state, a foreign legal entity, a legal entity controlled by a foreign legal entity or a non-resident individual, foreigners, stateless persons and entities engaged in terrorist activities.

Influence of sanctions on non-residents:

- The type of restrictions, established by the relevant sanction and imposed by the competent authority, may include, in particular, blocking of assets, restriction on trading, suspension of economic and financial obligations, prohibition of participation in privatization, public procurement, etc.
- Sanctioned individuals may not purchase land in Ukraine, which may limit their ability to develop their business.
- Sanctioned non-residents may not participate in the privatization of state property, which may affect their investment plans.
- Sanctions may include restrictions on financial transactions, making it difficult to conduct business and make payments.

In particular, on February 22, 2023, the President of Ukraine implemented the decision of the NSDC on sectoral sanctions against all financial institutions of the russian federation.

The sanctions cover hundreds of russian banks and tens of thousands of financial institutions, including banks, non-bank credit organizations, operators of payment systems, insurance companies and other financial institutions registered in russia. They provide for the termination of relations with russian financial institutions, suspension of financial obligations to them and a ban on servicing payment instruments issued by these institutions.

The State Register of Sanctions provides free public access to up-to-date information on legal entities and individuals subjected to sanctions. This resource can be used to verify sanctioned entities. Currently, the Ukrainian Sanctions Register contains more than 10 thousand sanctioned individuals and more than 7 thousand sanctioned legal entities.

Key aspects and restrictions of doing business by non-residents in Ukraine:

- Ukrainian legislation provides for sanctions against non-resident companies operating in the **aggressor country** or **owned by the citizens of countries against which Ukraine has imposed economic sanctions**. Such actions may include the freezing of assets, restrictions on banking transactions and a ban on entering into new contracts.
- Non-resident companies must comply with the legal requirements for transparency of ownership structure and **disclosure of ultimate beneficial owners**. Companies with ultimate beneficial owners from countries subject to sanctions may encounter difficulties in maintaining or registering their activities in Ukraine.
- There are **restrictions on activities in certain industries, including** the restrictions on non-resident companies from conducting business in certain sectors of the economy considered to be of strategic importance to the state.
- Non-resident companies may be subject to additional due diligence if their activities could potentially threaten **Ukraine's national security**.

Financial system of Ukraine during the war, sanction restrictions

On March 8, 2022, the National Bank of Ukraine once again updated its regulatory framework regarding the operation of the financial system during wartime by adopting Resolution No. 44 "On Amendments to Resolution No. 18 of the Board of the National Bank of Ukraine dated February 24, 2022". The new resolution imposes additional restrictions on entities associated with russia and belarus, which are recognized under Ukrainian law as the states engaged in armed aggression against Ukraine.

Resolution No. 44 provides for restrictions on:

- residents of russia/belarus
- legal entities (except for banks), whose ultimate beneficial owners are residents of russia/Belarus.

Ukrainian financial institutions are prohibited from conducting expenditure transactions on the accounts of the above-mentioned entities, except for the expenses to support the Armed Forces of Ukraine, payments to government agencies, social benefits, payroll, utility bills, taxes, levies and other mandatory payments.

In addition, Ukrainian financial institutions are prohibited (with certain exceptions) from conducting foreign exchange transactions:

- using russian or belarusian rubles
- with the participation of legal entities or individuals located (registered/permanently residing) in russia or belarus
- to fulfill obligations to legal entities or individuals located (registered/permanently residing) in russia or belarus.

The purpose of these restrictions is to prevent the withdrawal of funds by the beneficiaries of such companies and their use in russia. In practice, this can lead to the blocking of funds of such companies.

Martial Law

Martial law is a specific legal regime introduced in Ukraine or in some of its regions in the event of armed aggression or threat of attack, threat to the state independence of Ukraine, its territorial integrity and provides for the provision of the relevant state authorities, military command, military administrations and local self-government bodies with the powers necessary to avert the threat, repel armed aggression and ensure national security, eliminate the threat to state independence.
Due to russia's military aggression since February 24, 2022, President Volodymyr Zelenskyy signed Decree No. 64/2022 "On the Introduction of Martial Law in Ukraine", which is regularly updated at the legislative level (every 90 days).

Impact of martial law on doing business in Ukraine:

- The National Bank of Ukraine may impose restrictions on foreign exchange transactions making international transactions more difficult. As the war is ongoing, the NBU is adapting its regulations and taking steps to restore Ukraine's economy. For more information on the current conditions for regulating foreign exchange transactions, please follow the updates of the National Bank of Ukraine.
- During martial law, the authorities may compulsorily seize the resources and property of enterprises for defense or public security purposes. In this case, a preliminary full compensation of the property value is possible.
- New labor obligations are introduced that may affect normal working conditions, including possible mobilization of employees. On Amendments to Certain Legislative Acts of Ukraine on Optimization of Labor Relations.
- Businesses may be subject to additional inspections and control measures by military and government authorities.
- During hostilities, there is a risk of damage or destruction of company property, which can cause significant financial losses. Remember, the company must be equipped with a bomb shelter to ensure the safety of its employees.
- The martial law potentially complicates logistics and the supply of goods due to checks at the checkpoints and customs controls. Despite these difficulties, businesses continue to transport their goods across Ukraine.
- A declaration will be enough to start your own business. During the martial law, Ukraine has simplified **the issuance of permits and licenses** on a declarative basis, which allows entrepreneurs to launch their businesses more quickly.

Impact of martial law on corporate taxation:

- The requirements for the transportation of fuel were simplified, certain goods for military units were exempted from excise duty, and the accounting of excise duty on electricity and fuel storage was changed.
- Imports of defense goods are exempt from customs duties, and customs regulations for certain goods have been simplified.
- Businesses are exempt from fines for late payment of taxes due to hostilities until 6 months after the end of martial law.
- Taxpayers, who have lost documents due to hostilities, can submit a notification to retain expenses and tax credit without audits. Declaration data is not increased.

Key aspects of martial law for civilians:

- Under martial law, special measures are provided for the evacuation of civilians from areas of danger, the arrangement of shelters, healthcare and the provision of vital services.
- During martial law, there may be restrictions and limitations for citizens, foreigners and stateless persons to move freely, as well as to drive vehicles. A curfew is introduced.
- According to the law, during martial law, the authorities and military command have the right to check documents, inspect belongings, luggage, cargo, vehicles, and private property.
- For the duration of martial law, persons liable for military service are prohibited from traveling abroad, with certain exceptions.

Mobilization in Ukraine

Mobilization includes a set of measures to ensure that the national economy, state bodies, local governments, enterprises, institutions and organizations are ready to operate in wartime conditions. It covers the transition of their activities to the war regime, as well as the training of the Armed Forces of Ukraine, other military units and civil defense forces for wartime operations.

Mobilization in Ukraine is carried out in accordance with the Constitution of Ukraine, the Law "On Mobilization Training and Mobilization" and other legal acts. On May 18, 2024, the new Law No. 3633-IX "On Amendments to Certain Legislative Acts of Ukraine on Certain Issues of Military Service, Mobilization and Military Registration" came into force, which introduced significant changes to the mobilization process, including:

- Reduction of the conscription age from 27 to 25 years
- Creation of a unified electronic register of persons liable for military service
- Permission to demobilize conscripts
- Cancellation of the status of "restrictedly fit for military service"
- Increasing fines for persons evading service
- Women can be registered for military service voluntarily, except for those with medical or pharmaceutical education. They can be mobilized only upon their consent.

Certain categories of citizens are granted a deferment from conquistion for military service during mobilization in Ukraine in accordance with the law. In particular, deferment is granted to:

- Persons with three or more children under the age of 18.
- Persons raising a minor child on their own.
- Persons caring for family members, who need constant assistance.
- Booked employees of critical industries or organizations.
- Students, who are studying full-time or dual enrollment and meet the conditions for consistent improvement of their education.
- Persons with disabilities of all groups, if there is a confirmation from the military medical commission (with an obligation to undergo a second medical examination in 6-12 months).

The deferment shall be granted on the basis of relevant documents confirming the existence of these circumstances. The decision to grant the deferment is made by the TRC. For more information on the procedure for deferment, see Law of Ukraine "On Mobilization Activities and Mobilization".

Deferment period

In the context of mobilization, persons subject to call-up may be granted a deferment of mobilization for the duration of the circumstances that constitute grounds for granting the deferment or for the duration of the booking. The deferment is granted by territorial recruitment centers (TRC) and commissions on the basis of submitted applications and justifications. **Resolution of the Cabinet of Ministers of Ukraine of May 16, 2024 No. 560 "On Approval of the Procedure for Conscription of Citizens for Military Service during Mobilization, for a Special Period".**

The grounds for extending the deferment are checked, in particular, with the help of the Unified State Register of Conscripts, Persons Liable for Military Service and Reservists.

Booking of employees

In the context of mobilization, businesses can book key employees to ensure the continuity of important production and functional processes. This applies to employees whose activities are critical to the functioning of enterprises, organizations or institutions. The procedure for booking employees, who are critical to the economy and defense, is determined by the Law of Ukraine "On Mobilization Activities and Mobilization".

Booking procedure:

- Companies submit to the relevant authorities applications for booking of their key employees with a justification for the need for reservation, as well as a list of employees to be booked.
- Applications are reviewed by the Ministry of Economy of Ukraine and the General Staff of the Armed Forces of Ukraine. Upon approval, a decision is made to grant a deferment.
- Since July 2024, Ukraine has introduced electronic booking through the Diia portal. This significantly speeds up the process and reduces the workload of ministry employees. The booking procedure takes about an hour, and decisions are made automatically based on checks in the registers.

Valuation of war damage

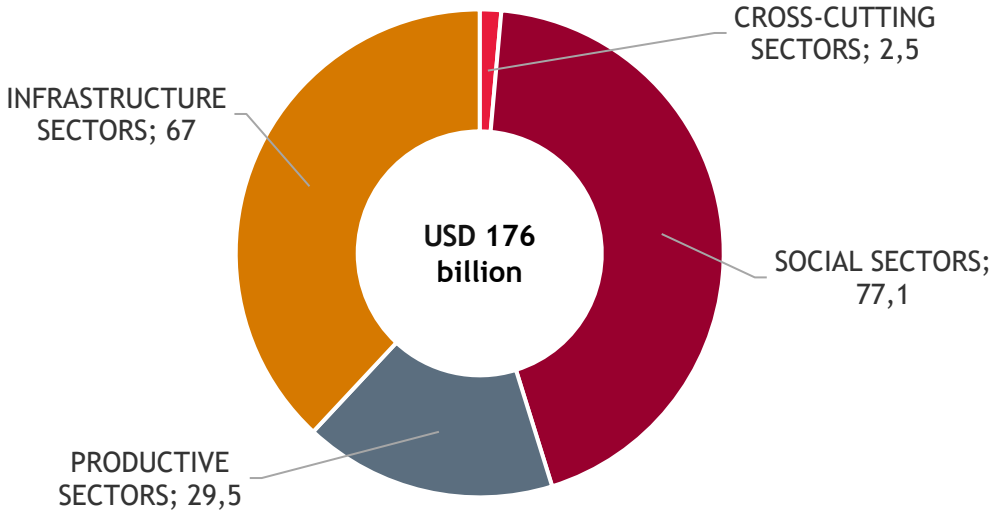
Businesses in Ukraine have experienced substantial and ongoing financial losses due to Russia's military aggression. This has led to severe damages, disruptions in production processes and supply chains, and human casualties.

According to Fourth Rapid Damage and Needs Assessment (RDNA4) by the World Bank Group, the Government of Ukraine, the European Commission, and the United Nations, **the total direct damage to buildings and infrastructure across sectors is estimated at approximately USD 176 billion.**

The most affected sectors have been housing, transport, energy and extractives, and commerce and industry. The frontline oblasts of Donetska, Kharkivska, Luhanska, Zaporizka, and Khersonska have sustained the greatest damage, summing to about USD 116 billion, or 66 % of total damage. Kyivska oblast and Kyiv City sustained also significant accumulative damage totaling USD 16 billion.

Aggregate economic, social, and other monetary losses total about USD 589 billion, significantly exceeding asset damage

Direct damage to buildings and infrastructure (USD billion)



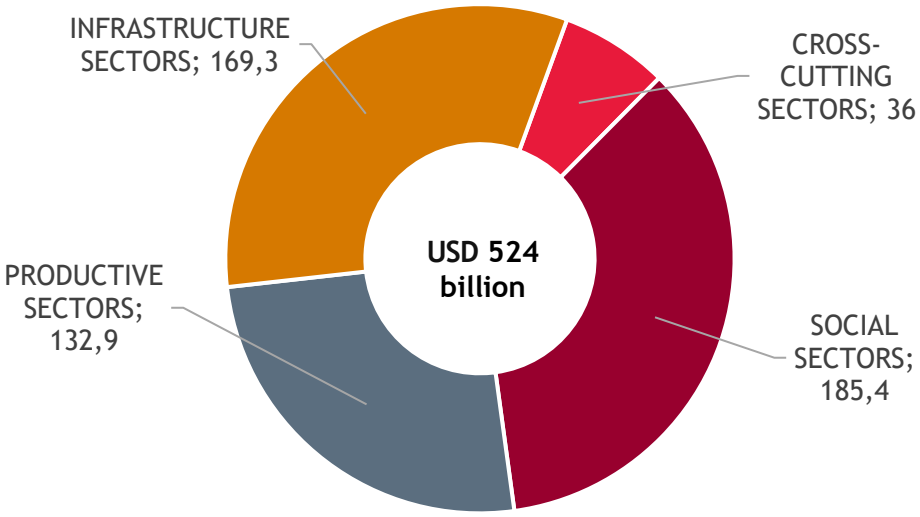
Data and information from the Fourth Rapid Damage and Needs Assessment (RDNA4)

Recovery and reconstruction needs

According to Fourth Rapid Damage and Needs Assessment (RDNA4) **the total estimated recovery and reconstruction needs across the public and private sector amount to about $524 billion.**

The highest estimated needs are in housing (almost USD 84 billion, or 16 % of the total).

Recovery and reconstruction Needs (USD billion)



The highest estimated needs are in housing (almost USD 84 billion, or 16 % of the total). This is followed by transport (almost USD 78 billion, or 15 %), energy and extractives(almost USD 68 billion, or 13 %), commerce and industry (over USD 64 billion, or 12 %), agriculture (over USD 55 billion, or 11 %), social protection and livelihoods (USD 39 billion, or 7 %), and explosive hazards management (almost USD 30 billion, or 6 %).

Data and information from the Fourth Rapid Damage and Needs Assessment (RDNA4)

Business protection

1. Role of business ombudsman

Functions and powers:

- The Business Ombudsman in Ukraine is an independent institution that considers complaints from entrepreneurs about violations of their rights by state authorities.
- The main task is to support reducing administrative pressure on business, fighting corruption and improving the business environment.
- The Business Ombudsman's Office (BOO) can provide recommendations to state authorities, but its decisions are not legally binding.

Advantages:

Quick response to business complaints.
Publication of systemic reports on business problems.
Established communication with government agencies.

2. Special temporary investigation commission of the Verkhovna Rada of Ukraine on the protection of investors' rights

Functions and activities:

- This is a temporary parliamentary body that analyses situations of violation of investors' rights.
- The main task is to control the actions of government agencies and develop legislative initiatives to improve the investment climate.
- The Commission can initiate investigations into violations and submit them to the Parliament.

Advantages:

Political leverage to put pressure on the authorities.
Involvement of foreign investors in discussing problems.
Possibility to initiate changes to legislation.

3. "Pulse" online platform from the Ministry of Economy

Purpose:

- The platform allows businesses to evaluate the work of government agencies and file complaints about violations.
- It is an instrument of feedback between business and government.

Advantages:

Open access for all entrepreneurs.
Transparent system for evaluating the work of government agencies.
Possibility of public influence on government agencies.

General conclusions:

- The Business Ombudsman is an effective mechanism for resolving individual cases, but has no enforcement powers.
- The TIC of the Verkhovna Rada has political influence, but its effectiveness depends on the composition of the parliament and the activity of the commission members.
- "Pulse" platform can be useful for monitoring the work of government agencies, but its impact on systemic change is limited.

Privatization process in Ukraine

I. Classification of privatization objects

1. **The objects of small-scale privatization shall include:**
   - unified property complexes of state and municipal enterprises and their structural subdivisions, including unified property complexes and their structural subdivisions leased out, except for unified property complexes of state and municipal enterprises that are objects of large-scale privatization;
   - separate property;
   - objects of unfinished construction (buildings, structures, transmission devices that have not been put into operation), conserved objects;
   - objects of social and cultural purpose.
   - blocks of shares of a joint-stock company formed in the process of privatization or corporatization, shares (stakes) owned by the state in the authorized capital of business entities, other business organizations and enterprises based on the combination of property of different forms of ownership and located in Ukraine or abroad, except for blocks of shares of joint-stock companies that are objects of large-scale privatization;
   - pools and other objects that do not belong to the objects of large-scale privatization.

2. **Large-scale privatization objects include** objects of state or municipal ownership (single property complexes of state-owned enterprises and blocks of shares (stakes) in business entities in the authorized capital of which more than 50 percent of the shares (stakes) are owned by the state) and pools whose asset value (for a pool - the total value of the assets of privatization objects from which the pool is formed), according to the financial statements for the last reporting year, exceeds UAH 250 million.

Who may **not be** buyers within the framework of privatization:

- state authorities;
- state-owned enterprises owned by the state of Ukraine;
- state economic associations, state holding companies, state joint stock companies (companies), their subsidiaries and enterprises;
- employees of state privatization bodies;
- buyers registered in offshore zones (according to the list determined by the Cabinet of Ministers of Ukraine) with a non-transparent ownership structure (whose beneficial owners are not disclosed by 100 percent), as well as buyers originating from the aggressor state;
- the state recognized by the Verkhovna Rada of Ukraine as the aggressor state, as well as legal entities in which such state has participation and persons controlled by such legal entities;
- legal entities whose beneficial owners of 10 percent or more of the shares (stakes) are residents of a state recognized by the Verkhovna Rada of Ukraine as an aggressor state. This provision does not apply to legal entities whose shares are admitted to trading on foreign stock exchanges according to the list of the Cabinet of Ministers of Ukraine, except for legal entities that are residents of the aggressor state;
- individuals - citizens and/or residents of the state recognized by the Verkhovna Rada of Ukraine as the aggressor state;
- legal entities registered in accordance with the laws of the countries included by the FATF in the list of countries that do not cooperate in the field of combating money laundering, as well as legal entities with 50 percent or more of the authorized capital owned directly or indirectly by such persons;
- legal entities whose information on beneficial owners has not been disclosed in violation of the Law of Ukraine "On State Registration of Legal Entities, Individual Entrepreneurs and Public Organizations";
- individuals and legal entities subject to special economic and other restrictive measures (sanctions) in accordance with the Law of Ukraine "On Sanctions", as well as their related parties;
- persons who were a party to the sale of a privatization object in Ukraine and with whom the sale and purchase agreement for the privatization object was terminated due to a breach by such persons, as well as persons related to them;
- persons included in the Register of persons having significant economic and political influence in public life (oligarchs) in accordance with the Law of Ukraine "On Prevention of Threats to National Security Related to Excessive Influence of Persons Having Significant Economic and Political Influence in Public Life (Oligarchs)".

II. Sale process:

1. **Sale of small-scale privatization objects:**
   - Small-scale privatization objects are sold exclusively at electronic auctions.
   - An electronic auction shall be held in accordance with an agreement concluded between the auction organizer and the operators of electronic platforms.
   - The standard agreement between the auction organizer and operators of electronic platforms shall be approved by the State Property Fund of Ukraine.
   - Information about the auction participants and information about potential buyers shall be treated as confidential information and shall not be disclosed until the auction is completed.

2. **Sale of large-scale privatization objects:**
   - The terms of sale and starting prices of large-scale privatization objects of state ownership at auctions shall be approved by the Cabinet of Ministers of Ukraine.
   - Prior to the first auction for the sale of a large-scale privatization object, the Cabinet of Ministers of Ukraine simultaneously approves the starting prices and conditions for the sale of a large-scale privatization object at auctions.
   - The procedure for conducting electronic auctions for the sale of large-scale privatization objects, the amount and procedure for payment of the fee for participation in an electronic auction, and determination of the winner based on the results of an electronic auction shall be approved by the Cabinet of Ministers of Ukraine.
   - The specifics of the sale of large-scale privatization objects in municipal ownership may be established by a decision of the relevant representative body of local self-government.

Completion of the auction

The winner of the auction who refuses to sign the auction protocol or the sale and purchase agreement or fails to pay the sale price of the privatization object within the established time limit, is deprived of the right to participate in subsequent auctions for the sale of the same object.

Upon completion of the auction, the guaranteed deposit paid by potential buyers shall be refunded to potential buyers who did not win the auction within a period not exceeding 10 business days from the date of approval of the auction protocol by the privatization body.

In case the winner of the auction refuses to sign the auction protocol or to conclude the sale and purchase agreement, or in case he fails to pay the sale price of the privatization object within the established time limit, the guaranteed fee shall not be refunded and shall be transferred to the relevant budget.

The winner of the auction shall be credited with the guaranteed fee, minus the fee for participation in the electronic auction, when paying for the privatization object.

Execution of privatization transactions

The contract of sale of the privatization object shall be concluded between the privatization body and the winner of the electronic auction after payment in full of the sale price of the privatization object and within 25 working days - for small-scale privatization objects, 35 working days - for large-scale privatization objects from the date of formation of the protocol on the results of the electronic auction.

If it is necessary to prepare documents for the notarization of the sale and purchase agreement for a privatization object by decision of the state privatization body, the state privatization body and the winner of the electronic auction shall conclude a preliminary sale and purchase agreement for the privatization object.

The costs associated with the preparation of documents for notarization of the sale and purchase agreement for the privatization object shall be borne by the winner of the electronic auction. In this case, the sale and purchase agreement for the privatization object shall be concluded within 60 business days from the date of conclusion of the preliminary agreement.

The ownership of the privatization object is transferred to the buyer after the conclusion of the contract for the sale and purchase of the privatization object and the signing of the act of acceptance and transfer of the privatization object, except in cases of transfer of ownership of a block of shares.

The ownership of the acquired block of shares is transferred to the buyer after the conclusion of the contract of sale of the privatization object and from the moment the block of shares is credited to the buyer's securities account in a depository institution.

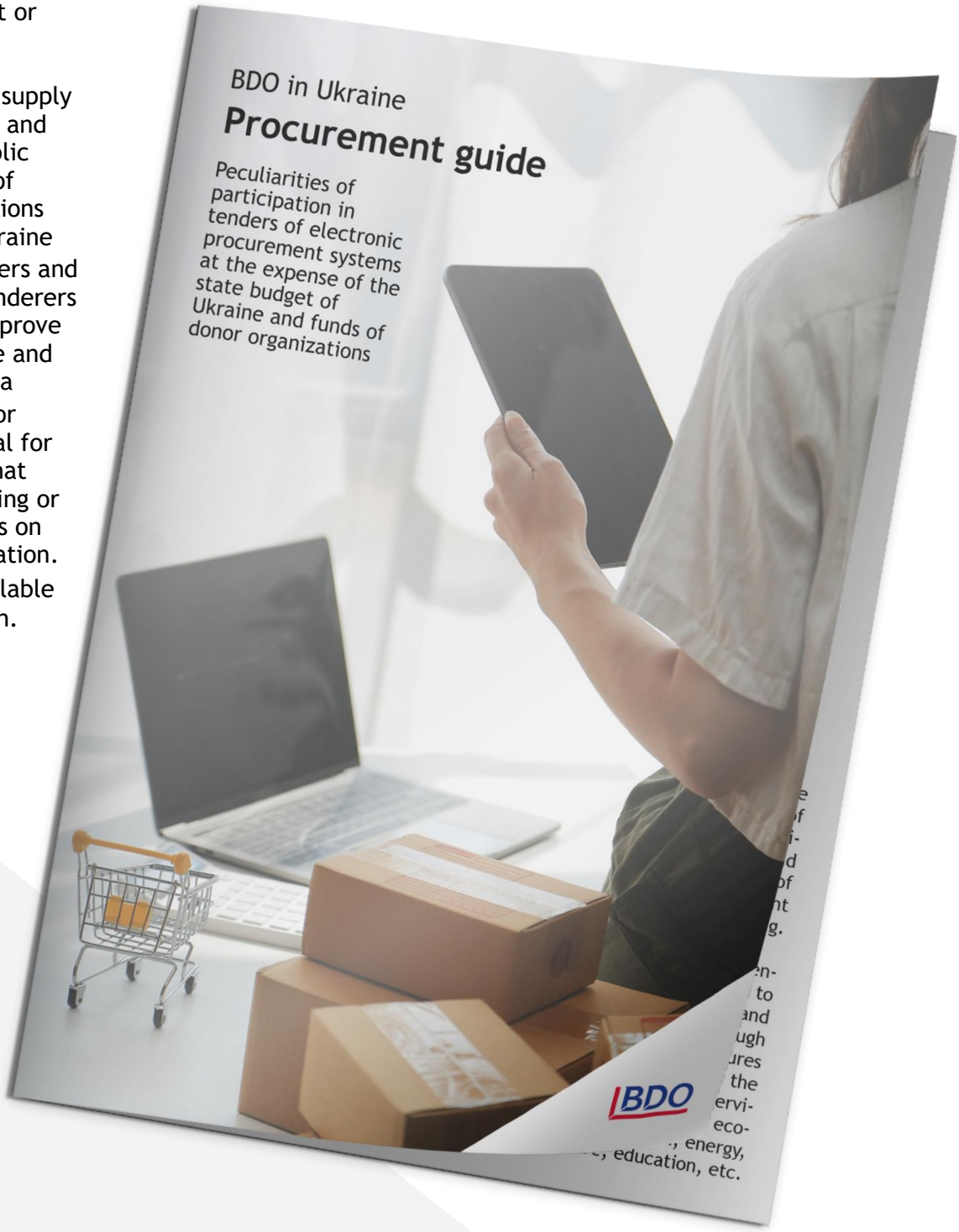
Guide to Public Procurements in Ukraine

This guide was created to provide practical assistance to organizations that want to participate in tenders for the supply of goods, works and services for public funds or funds of donor organizations operating in Ukraine. The guide provides information on the Prozorro electronic procurement system used in Ukraine, as well as on the specifics of the legislation, procedures and documentation governing procurement processes. The guide also provides advice on how to search for procurement announcements, register, prepare and submit tender proposals, as well as appeal and defense procedures for your rights.

Guide will be useful for:

- organizations that have an interest or experience in participating in tenders for the supply of goods, works and services for public funds or funds of donor organizations operating in Ukraine
- for both beginners and experienced tenderers who want to improve their knowledge and skills in this area
- as a reference or training material for organizations that provide consulting or training services on tender participation.

The guide is also available in English and German.



Political and war risks mitigation possibilities

Political risks are associated with government actions which deny or restrict the right of an investor/owner i) to use or benefit from his/her assets; or ii) which reduce the value of the firm. Political risks include war, revolutions, government seizure of property and actions to restrict the movement of profits or other revenues from within a country.

By purchasing political risk insurance (PRI), investors can successfully strengthen their position in the host state, allocating the burden of political risk to third parties (insurance agencies). PRI is provided by **international organizations**, such as the Multilateral Investment Guarantee Agency (MIGA) and **state-sponsored insurance agencies**, known as export credit agencies (ECAs) or public insurance agencies.

Political risks covered PRI providers cover very similar sets of political risks:

1) Currency inconvertibility and transfer restrictions.
2) Confiscation, expropriation, nationalization.
3) Political violence/war.
4) Default on obligations such as loans, arbitral claims, and contracts.

Most credit agencies have frozen their limits for Ukraine because of the lack of instruments in place.

War risk **-** risks associated with war, such as physical damage to goods and assets, hostile occupation, and contract obligation breaches for war-related reasons, including bank loans, goods, or services supply. It should cover not only total losses of property but also damages of a moderate scale.

1. MIGA - Multilateral Investment Guarantee Agency

https://www.miga.org/products

MIGA is a member of the World Bank Group. MIGA's mandate is to promote cross-border investment in developing countries by providing guarantees (political risk insurance and credit enhancement) to investors and lenders.

MIGA provides political risk insurance guarantees and credit enhancement to private sector investors and lenders. MIGA's guarantees protect investments against non-commercial risks and can help investors obtain access financing on improved terms and conditions.

MIGA's War and Civil Disturbance coverage provides protection against loss from, damage to, or the destruction or disappearance of, tangible assets or total business interruption (the total inability to conduct operations essential to a project's overall financial viability) caused by politically motivated acts of war or civil disturbance in the country, including revolution, insurrection, coups d'état, sabotage, and terrorism.

For tangible asset losses, MIGA pays the investor's share of the lesser of the replacement cost and the cost of repair of the damaged or lost assets, or the book value of such assets if they are neither being replaced nor repaired. For total business interruption that results from a covered war and civil disturbance event, compensation is based, in the case of equity investments, on the net book value of the insured investment or, in the case of loans, the insured portion of the principal and interest payment in default. This coverage encompasses not only violence in the host country directed against a host country government, but also against foreign governments or foreign investments, including the investor's government or nationality.
Temporary business interruption may also be included upon a request from the investor and would cover a temporary but complete cessation of operations due to loss of assets or unreasonably hazardous conditions in the host country, which result in a temporary abandonment or denial of use. For short-term business interruption, MIGA pays unavoidable continuing expenses and extraordinary expenses associated with the restart of operations and lost business income or, in the case of loans, missed payments.
MIGA covers capital and debt insurance up to 90%.

Cost of insurance for Ukraine is belived to be up to 1%

MIGA's Product Lines available in Ukraine

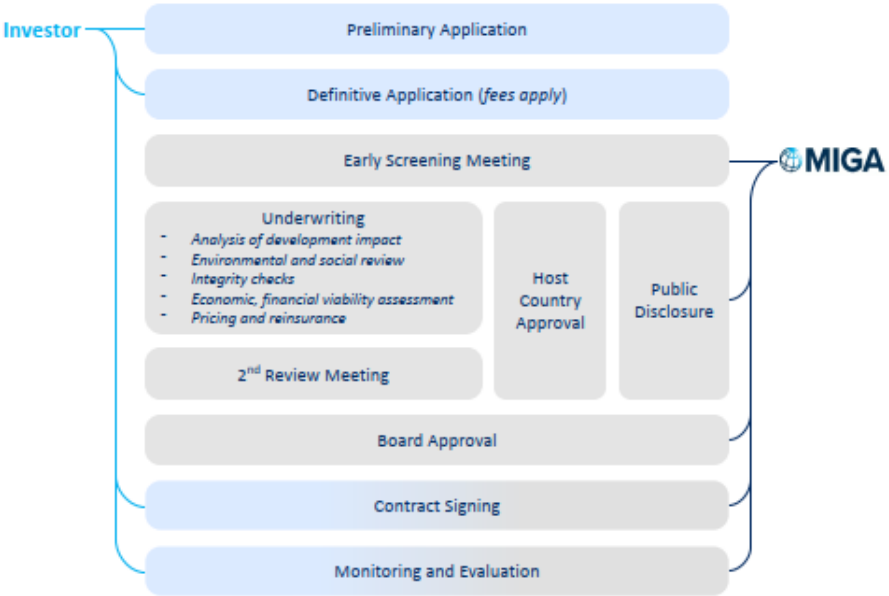
Instrument	Cover
Political Risk Insurance	Transfer Restriction and Currency Inconvertibility*
	Expropriation
	War and Civil Disturbance
	Breach of Contract by Governments and State-Owned Entities
Trade Finance	Non-Payment by a Public Authority or Government-Owned Entity of its Obligations Relating to a Cross-Border Trade Transaction

* Currently not available in Ukraine

Political Risk Insurance (PRI) solutions for Investors and Lenders

Currency Inconvertibility and Transfer Restriction	Inability to convert or transfer dividends or loan payments due to FX restrictions
Expropriation	Government nationalizes or otherwise makes it impossible to operate the project through discriminatory measures
War and Civil Disturbance	Destruction or interruption of business due to political violence (incl. sabotage and terrorism)
Breach of Contract	Failure of government to honor obligations under contractual agreements and subsequent failure to honor arbitral award

Registration and Underwriting Process



[Support to Ukraine's Reconstruction and Economy Trust Fund (SURE TF) | Multilateral Investment Guarantee Agency | World Bank Group (miga.org)]

2. List of International Export Credit Agencies and other organisations that announced support to Ukraine

No	Country	Agencies	Web	Conditions
1	Austria	OeKB	https://www.oekb.at/en/oekb-group/news-und-wissen/news/2023/ukraine-weitere-oeffnung-deckung.html	Covering and financing exports: Supplier credit, Sale of receivables, Buyer credit Cover of letter of credit confirmations, Leasing Concessional financing (soft loan), Production financing, Down-payment financing, Assumption of risk for bank guarantees, Guarantee for use of machinery Stock in commission, Private credit insurance With OeKB, you are guaranteed to get the right solution when covering the risk of your exports, whether they are goods or services. Even high-level commercial and political risks that the private credit insurance market doesn't cover can be covered. With your bank as a partner, we can also finance covered transactions at particularly attractive rates. This means you get your money quickly as an exporter, and your customer can pay for the investment over a longer period.
2	Belgium	CREDENDO	https://credendo.com/en/knowledge-hub/credendo-announces-it-will-resume-cover-ukraine	Buyer Credit InsuranceThe Belgian government asked Credendo to resume coverage of export transactions on Ukraine, acting for the account of the Belgian State. An amount of EUR 100 million will be made available for this purpose, of which EUR 75 million for short-term transactions (risk duration of maximum one year) and EUR 25 million for medium- to long-term transactions (risk duration above one year). That ceiling could later be raised based on positive experience. Insurance will be made available for transactions with sufficient Belgian interest and for a maximum of EUR 15 million per transaction. Moreover, where necessary, guarantees from Ukrainian banks or authorities will be required.
3	Canada	Export Development Corporation	https://www.edc.ca/en/article/faqs-russia-ukraine-conflict.html	As international risk experts, EDC helps Canadian companies to navigate, manage and take on risk to support their growth beyond Canada's borders. EDC`s solutions include: • Capital – access to working capital and financing • Risk mitigation – insurance that lowers the risk of doing business abroad • Trade knowledge – expertise to help companies make informed decisions • Global connections – relationships that connect Canadian and international companies and help both parties grow
4	Czech Republic	Export Guarantee and Insurance Corporation	| EGAP.cz	On April 17th 2024, the Czech government approved a new policy by the Ukraine EGAP Fund, allowing for the insurance of Czech companies' exports to Ukraine up to EUR 5 million without the need to confirm previous relationships between the parties. At a meeting on April 19th with EGAP's management, the possibility of further simplification of conditions was discussed, as Ukraine has so far fulfilled all obligations and no insurance payouts have been necessary. Additionally, the National Development Bank of the Czech Republic will administer part of the EU funds for Ukraine, potentially providing guarantees for international orders.

No	Country	Agencies	Web	Conditions
5	Denmark	Export and Investment Fund of Denmark	https://www.eifo.dk/en/knowledge/news/new-reinsurance-scheme-reduces-the-risk-of-trading-with-ukraine/	The financing for Ukrainian public entities covers projects within critical infrastructure The financing for Ukrainian private entities covers projects that contribute to development of the private sector and the economy of Ukraine Danish content constitutes a minimum of 30% of the financing amount The borrower's equity must be at least three times higher than the loan amount. The borrower shall provide audited financial reports covering the last five years. The Danish exporter must fill out and submit "EIFO's application form for state loan and guarantee scheme in EIFO"
6	Finland	Finnvera Oyj, Finnish Export Credit Ltd (FEC)	https://www.finnvera.fi/eng/finnvera/newsroom/news/finnveras-export-credit-guarantees-help-promote-ukraines-reconstruction-efforts	Finnvera with up to EUR 50 million in compensation for credit losses sustained in connection with export credit guarantees granted for the promotion of exports and investments to Ukraine. Finnvera will resume granting export credit guarantees from 1 January 2024. This arrangement applies particularly to financing options for short-term trade (such as documentary credit guarantees and credit insurance), which are particularly important for securing SME exports. The provision of export credit guarantees for medium and long-term trade can also be gradually increased.
7	France	Bpifrance	https://www.bpifrance.fr/	The French state-owned insurance company Bpifrance Assurance Export will insure French companies that are ready to invest in Ukraine and take an active part in the country's reconstruction without waiting for the war to end. Any company operating under French law and making a long-term investment abroad in a new or existing company, or any credit institution providing a bank loan to a foreign subsidiary, is eligible for this investment insurance. It protects investors or lending institutions against the risks of property damage or non-payment, non-transfer, expropriation or political violence. The insurance covers up to 95% of the loss of the investor's assets or receivables.
8	Germany	Investment Guarantees (agent PWC)	https://www.investitionsgarantien.de/news/ukraine-krieg/bundesregierung-verbessert-die-garantiekonditionen	A Supplier Credit Guarantee offers protection against payment default, in particular if: 1)a foreign buyer becomes insolvent 2)the foreign buyer fails to make payment within 6 months (protracted default) 3)adverse measures are taken by foreign governments or warlike events arise 4)local currency amounts are not converted or transferred 5)contract performance becomes impossible due to political circumstances
9	Italy	SACE	https://www.sace.it/media/comunicati-e-news/dettaglio-comunicato/simest-(gruppo-cdp)-al-via-le-misure-per-pmi-e-midcap-colpite-dalla-crisi-ucraina	INVESTMENT PROTECTION. With SACE investors can safely invest abroad, getting insurance against the risk of loss of invested capital, interests and profits due to political events. SACE covers business from expropriation, nationalization, war and civil unrest, currency restrictions and breach of contract. In addition, if investors are unable to continue operations abroad due to war or civil unrest, with SACE they can recover loss of profit. Italian companies and their subsidiaries abroad planning to make foreign direct investments can get benefits: Safely invest abroad. Insurance of sums due to investors by way of future

No	Country	Agencies	Web	Conditions
10				Possibility of transferring policy rights to a bank to obtain better terms of financing for then foreign subsidiary. Equity investment supported by SIMEST can be insured against political risks. SACE takes equity participation in foreign direct investments, providing additional financial resources to safely grow and expand into foreign markets. SIMEST takes direct participation in up to 49% of the equity of foreign Italian subsidiary for a maximum duration of 8 years. If the company is established in a non-EU country, SACE can also offer interest rate subsidy. SIMEST's participation can be considered for establishing the company, for capital injection and/or M&A transactionss. April 26, 2023, the Italian Export Credit Agency SACE is ready to resume work with Ukraine, which is a very important signal for Italian business, and, in addition to the previously announced €500 million, will allocate an additional €1 billion to support trade and financial operations.
11	Japan	NEXI (Nippon Export and Investment Insurance)	https://www.nexi.go.jp/en/topics/newsrelease/202402150245.html	NEXI covers losses incurred from i) the Commercial Risks in which the counterparty of overseas transactions such as trade is responsible, and ii) the Political Risks that arise from overseas transactions such as trade for which the party concerned are not responsible.
12	Latvia	ALTUM	https://www.altum.lv/en/services/enterprises/kara-seku-atbalsts/ https://www.altum.lv/en/services/enterprises/support-of-the-consequences-of-war-guarantee/	Use State support for exporters – export credit guarantee: 1)The guarantee covers buyer's and political risks 2)Covers the risk of the guarantor of the buyer's obligations – bank or buyer's associated company 3)Serves as additional security for guarantees or a letter of credit issued by the buyer's bank if there are doubts about the bank's liquidity 4)Serves as a collateral in factoring or for obligations to a bank to secure financing for other current assets
	Netherlands	Atradius	https://atradiusdutchstatebusiness.nl/en/news/eca-support-package-for-ukraine..html	You may take out cover solely for post-delivery or post-completion payment risk (credit risk) or in combination with cover for the costs you will incur prior to the delivery of your goods or completion of your work on the project (pre-delivery risk). Non-payment may be due to circumstances in your client's country such as war, natural disasters or a government's financial difficulties (political risks). It may otherwise be due to financial difficulties experienced by your client (commercial risk). Depending on the situation, you may choose to insure only political or only commercial risks. Deductible/Insured's Own Risk: The percentage of cover we can offer under an insurance policy for contractors is flexible. It will be fixed at a percentage which is usually between 90% and 98% of the contract value. You will therefore bear the risk for the remainder, i.e. at minimum 2% and at maximum 10% of the contract value. This is known as your deductible or own risk. You may transfer this risk to other parties to the transaction, such as your bank or suppliers. You must however apply for and obtain written approval from Atradius for this before your contract enters into force.

No	Country	Agencies	Web	Conditions
13	Poland	KUKE	https://kuke.com.pl/en/news-and-insights/eur-53-6-million-to-support-polish-exports-in-ukraine	KUKE is the official Polish export credit agency that provides solutions in the form of credit insurance, guarantees, factoring, and investment insurance. Solutions for banks, small and large companies. KUKE can protect the outlays borne by Polish investors against losses caused by risky political events in investment countries. The insurance covers documented pecuniary and tangible expenditures as well as intangible and legal assets (net) invested in a foreign business, which give the right to participate in profits, in the estate in bankruptcy, guarantee the right to vote and to supervise and co-manage. The insurance covers losses incurred in connection with the execution of a direct investment abroad as a result of events referred to as political risk and force majeure. Decisions in the form of government interventions preventing an investment from going ahead. The announcement of a universal payment moratorium. Decisions concerning trade restrictions consisting of prohibitions on exports. The transfer of receivables being rendered impossible (e.g. dividends). The exercise of rights related to an investment being rendered completely impossible. War, revolution, riots, protracted mass strikes, earthquakes, volcano eruptions, typhoons, flood, and fires of catastrophic dimensions.
14	Slovakia	Eximbanka SR	https://eximbanka.sk/en/other-forms-of-export-support/ukraine-export-investment-and-economic-recovery/	Coverage of short-term receivables EXIMBANKA SR started covering short-term receivables (up to 90 days and up to a total limit of 10 million euros). This limit is actively used by Slovak exporters and is mainly used to cover both commercial and political risks (under enhanced conditions). This is mainly the export of products of the agricultural and food sectors, steel products, pharmaceutical products, products of the chemical industry.
15	Sweden	EKN, Exportkreditnämnden	https://www.ekn.se/garantier/mer-om-garantier/fragor-och-svar-om-garantier-till-ukraina/ https://www.ekn.se/om-ekn/nyheter-och-evenemang/nyheter-pressmeddelanden/sarskild-exportkreditgaranti-for-ukraina/	The Ukraine Regulation only applies to guarantees to cover losses in connection with export transactions with goods to Ukraine. The warranty covers the risk of non-payment on the part of the buyer. EKN's ordinary terms and conditions for products are applied, with the necessary adaptations to the special regulation. EKN must settle any claims for non-payment before the end of 2026. As a result, EKN will not be able to guarantee receivables that fall due later than can be dealt with in the claims adjustment process, preliminarily August 2026. If the repayment period with the Ukrainian buyer is longer, EKN does not bear that risk. EKN can cover a maximum of 80 per cent of the guaranteed commitments. The terms and conditions for an export credit guarantee under the special Ukraine Regulation must be designed so that the guarantee holder and EKN bear losses proportionately and in the same way.

No	Country	Agencies	Web	Conditions
15				EKN can cover a maximum of 80 per cent of the guaranteed commitments. The terms and conditions for an export credit guarantee under the special Ukraine Regulation must be designed so that the guarantee holder and EKN bear losses proportionately and in the same way. The total guarantee framework for which EKN can issue a guarantee to Ukraine is SEK 333 million. A guarantee can be applied for a maximum of SEK 100 million per applicant in the same group of companies.However, this limitation does not apply if there is room in the guarantee framework when there are six months left of the period during which EKN can issue guarantees, i.e. as of 30 June 2024.
16	UK	UK Export Finance	https://www.gov.uk/government/news/new-insurance-scheme-to-facilitate-uk-business-supporting-ukraine?ref=ukrainerebuildnews.com	UK government helping plan war-risk insurance scheme which will lead UK companies to do business in Ukraine Lack of available insurance currently a major barrier preventing UK companies trading with and investing in Ukraine to help it rebuild Business and Trade Minister The Earl of Minto inks agreement today at the European Bank for Reconstruction and Development The UK will today sign a Statement of Intent on a European Bank for Reconstruction and Development (EBRD) war-risk insurance scheme for Ukraine. The EBRD's effort, along with complementary backing by other international financial institutions, over time will help UK companies to do business in Ukraine and support its reconstruction.
17	USA	DFC - U.S. International Development Finance Corporation	https://www.dfc.gov/media/press-releases/joint-declaration-support-trade-finance-ukraine	Types of Coverage: 1)Currency Inconvertibility 2)Government interference (Expropriation) 3)Bid, Performance, Advance Payment, and Other Guaranty Coverages 4)Breach of Contract for Capital Markets 5)Reinsurance 6)Political violence including terrorism

The information contained in this document is gathered from open sources, and not guaranteed as being accurate and does not purport to be a complete statement or summary of the available data. BDO assumes no responsibility or liability of any kind, as to the accuracy or completeness of any information and opinions contained in the document.

Agencies that not cover yet war risks, but provide support for local producers

No	Country	Agencies	Web	Conditions
18	Ireland	Ireland | Credendo	https://www.gov.ie/en/press-release/fd9e9-ministers-coveney-mcgrath-and-mcconalogue-announce-first-lender-to-the-market-for-12-billion-ukraine-credit-guarantee-scheme/	This scheme has a lending ceiling of €1.2 billion and will facilitate loans for working capital and medium-term investment. The important features are: 1) no personal guarantee or collateral required for loans up to €250,000 2)loans of up to 6 years and €1 million 3)reduced interest rates (vs standard market rates) available until 31 December 2024 and includes farmers, fishers and small mid-caps 4)open call has encouraged variety of lenders to participate, including non-banks and credit unions 5)pre-eligibility available on SBCI Hub which speeds up the process. Businesses will have certainty that their liquidity funding needs can be met through low-cost loans supported by the government. This is a central pillar of the government's response to aid businesses impacted by rapidly rising costs as a result of the invasion of Ukraine.
19	Romania	Exim Banca Romaneasca	https://www.eximbank.ro/en/2022/12/08/schema-de-ajutor-de-stat-ucraina/	Covered risks 1)Commercial risks – Risk of unjustified execution of export guarantees by the commercial partner, while the insured party met its obligations within the auction and/or the contractual obligations; 2)Political risks: -Risk of executing export guarantees due to the exporter's incapacity to meet its contractual obligations due to the occurrence of political risks in the Debtor's country or in a third country, such as: the risk that a public debtor or a country to prevent the achievement of an export transaction; risks exceeding the will of individual buyers, or which are not the responsibility of individual buyers; -Risk of executing export guarantees by the Debtor, in the conditions when the contract continuation makes no longer an economic sense due to the instating of sanctions or payment moratoria which prevent the Debtor to pay on maturity.

German Export Credit Guarantees – Simplified procedures for Ukraine

German Export Credit Guarantees is a new opportunity for Ukrainian entrepreneurs to obtain the necessary equipment, and for German manufacturers to sell their goods.

Hermes covers an export credit guarantee (ECG) by the German Federal Government. These guarantees are an important part of German foreign trade policy and protect German exporters and export finance banks from political and commercial risks. Euler Hermes Aktiengesellschaft has been commissioned by the Federal Government to manage the federal financing instruments Export Credit Guarantee and Imposed Loan Guarantee.

Euler Hermes Aktiengesellschaft offers short-term loans for the following goods:

- 6 months (raw materials, semi-finished products, components, consumer goods, spare parts)
- 12 months (high-value components, fertilizers and plant protection products, long-lasting goods)

German companies are ready to deliver goods to Ukraine worth more than 24 million euros in July and June. The special conditions offered by the German Government can predict that **100 million euros** will be invested in business in Ukraine this year.

A representative of Geringhoff, an agricultural machinery manufacturer specialising in combine harvesters, noted that the Ukrainian market is very important to them. The agricultural production market is seasonal, making timely payments crucial. If they don't have Hermes cover, they will require advance payment. The company hopes that Hermes cover will allow them to increase the number of customers in Ukraine.

With this coverage, the client will pay for the goods to Geringhoff, and in the case of its bankruptcy, after 12 months, Hermes cover will compensate the Ukrainian company's debt to the manufacturer. The cost of Hermes cover for Ukrainian companies depends on many factors. It can be as low as 0.5% of turnover, and the German importer includes this amount in the product's price.

Regarding the minimum initial payment, there are no specific requirements for short-term contracts. It all depends on the exporters, but they must have a presence in Germany. Shipments from China are not covered by Hermes. Additionally, Hermes cover is not risk insurance in favor of Ukrainian companies, and military risks are not compensated. That is, if a Russian missile destroys equipment or something else, these costs cannot be covered. There are other programmes available, and their terms of cooperation with them can be found on their website. There is currently no maximum number of contracts for Hermes cover, but the details are carefully reviewed before signing contracts for cover.

For Ukrainian companies, the first step should be communication with German partners, and then communication with the office that provides cover.

The Senior Underwriting Manager of the Export Credit Agency (ECA) in Germany emphasized that coverage terms can range from 360 days to 15 years depending on the project size and the shelf life of the goods being supplied, and for some projects, such as renewable energy, even longer.

Benefits provided by project financing from the German ECA:

- Low financial costs
- Longer loan terms
- Flexibility (based on 70 years of experience and an excellent reputation)

The maximum limit for project value **is 250 million euros**. If the project amount exceeds **10 million euros**, a more detailed analysis of the project is conducted, all risks are clarified, and an audit is performed. If necessary, the issue of collateral or state guarantees is raised. Cover can also be combined with leasing of German equipment.

Key points on prevention of money laundering in Ukraine

The prevention of money laundering in Ukraine is mainly regulated by financial monitoring.

Financial monitoring is a set of measures taken by financial monitoring authorities in the field of prevention and counteraction, including state financial monitoring and primary financial monitoring.

Financial monitoring in Ukraine is regulated by the Law of Ukraine "On Prevention and Counteraction to Legalization (Laundering) of the Proceeds of Crime, Terrorist Financing and Financing of the Proliferation of Weapons of Mass Destruction" dated December 6, 2019 (the "Law") and a number of regulations.

In accordance with the Law, threshold financial transactions (in particular, in the amount approx. EURO 10 000 and above) and suspicious financial transactions (if there are grounds to believe that they are the result of criminal activity or are related to or relate to terrorist financing or financing of the proliferation of weapons of mass destruction) are subject to financial monitoring.

The national financial monitoring system consists of the following elements:

1. Subjects of primary financial monitoring (banks, financial institutions and others);
2. Subjects of state financial monitoring (NBU, NSSMC, Ministry of Digital Transformation, Ministry of Finance, Ministry of Justice, State Financial Monitoring Service of Ukraine);
3. Law enforcement, intelligence and judicial authorities (SBI, BES, SSU, PGO, NABU, National Police and others).

The State Financial Monitoring Service is the coordinator of the national financial monitoring system.

The Order of the Ministry of Finance of Ukraine No. 465 dated December 28, 2022, approved the updated Risk Criteria for Legalization (Laundering) of Proceeds of Crime, Terrorist Financing and Financing of the Proliferation of Weapons of Mass Destruction.

Currently, according to the Law, a high risk of business relations (financial transaction without establishing business relations) is established, in particular, in relation to the following clients:

- customers whose place of residence (location, registration) is a state (jurisdiction) that does not implement or improperly implements the recommendations of international and intergovernmental organizations involved in combating money laundering or terrorist financing or the financing of the proliferation of weapons of mass destruction.
- clients included in the list of persons, clients who are representatives of persons included in the list of persons, clients that are directly or indirectly owned or ultimate beneficially owned by persons included in the list of persons;
- foreign financial institutions (except for financial institutions registered in the member states of the European Union, member states of the Financial Action Task Force on Money Laundering (FATF), except for states that carry out armed aggression against Ukraine in the meaning given in Article 1 of the Law of Ukraine "On Defense of Ukraine") with which correspondent relations are established;
- foreign public figures, members of their families and persons related to such politically exposed persons, as well as clients whose ultimate beneficial owners are the said persons;
- customers whose place of residence (location, registration) is a state included in the list of offshore zones by the Cabinet of Ministers of Ukraine;
- clients in respect of whom information on the ultimate beneficial owner of the legal entity is excluded from the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Organizations or a note is made that the ownership structure of the legal entity is recognized by the National Bank of Ukraine as non-transparent;
- customers who are citizens of a state that carries out armed aggression against Ukraine (except for citizens of such a state who were granted the status of a combatant after April 14, 2014) and/or persons whose place of permanent residence (location, registration) is a state that carries out armed aggression against Ukraine;
- clients whose ultimate beneficial owners are citizens of a state that carries out armed aggression against Ukraine (except for citizens of such a state who were granted the status of a combatant after April 14, 2014), and/or persons whose place of permanent residence (location, registration) is a state that carries out armed aggression against Ukraine, etc.

Key legislative act regulating data protection in Ukraine

The key legislative act regulating data protection in Ukraine is the Law of Ukraine "On Personal Data Protection" No. 2297-VI, dated June 1, 2010 (the "Law")

The Law applies to individuals and legal entities that perform any actions or a set of actions, such as collection, registration, accumulation, storage, adaptation, modification, updating, use and dissemination (distribution, sale, transfer), depersonalization, destruction of personal data, including with the use of information (automated) systems.

The Law may not apply if the data is processed:

- by an individual solely for personal or household needs;
- exclusively for journalistic and creative purposes, provided that a balance is struck between the right to respect for privacy and the right to freedom of expression.

Data controllers must comply with the following obligations:

- Personal data must be processed openly and transparently.
- The means of processing personal data must correspond to the purpose of the processing.
- Personal data must be protected from accidental loss, destruction, or unauthorised processing and access.

The Law also sets out certain requirements for securing protection measures during the processing of data.

The law provides the subject of personal data with a wide range of rights regarding the processing of his or her personal data, including:

- to know about the sources of collection, location of his/her personal data, purpose of their processing, location or place of residence (stay) of the owner or manager of personal data or to give a corresponding order to obtain this information to the persons authorized by him/her, except in cases established by law;
- to receive information on the conditions of granting access to personal data, in particular information about third parties to whom his/her personal data is transferred;
- to have access to their personal data;
- to protect their personal data from unlawful processing and accidental loss, destruction, damage due to intentional concealment, failure to provide or untimely provision thereof, as well as to protect against provision of information that is inaccurate or discrediting to the honor, dignity and business reputation of an individual, etc.

Personal data may be transferred to foreign parties to relations related to personal data only if the relevant state ensures proper protection of personal data in cases established by law or an international agreement of Ukraine.

It is assumed that the following countries provide such level of protection:

- European Economic Area (EEA) member states;
- Countries ratifying the Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data.

The Cabinet of Ministers of Ukraine determines the list of states that ensure adequate protection of personal data.

Personal data may be transferred to foreign subjects of relations related to personal data also in the case of:

- the personal data subject provides express consent to such transfer;
- the data controller and the data subject need to enter into or perform an agreement for the benefit of the data subject;
- the data transfer is needed to protect the vital interests of personal data subjects;
- the data transfer is needed to protect the public interest, establish, fulfill and enforce a legal claim;
- provision by the personal data owner of appropriate guarantees of non-interference in the personal and family life of the personal data subject.

Currency limits and restrictions

At the beginning of the full-scale invasion, the National Bank of Ukraine (the NBU) and defined a series of currency restrictions to stabilize the financial system's operations. However, as of May 13, 2024, some of these restrictions have been relaxed or completely removed. Below is a non-exclusive list of the limits and restrictions that remain in effect in Ukraine.

- The **deadline for settlement** of export and import transactions over UAH 400,000 (≈ USD 9,588) is limited to 180 calendar days and applies to transactions carried out from 05.04.2022. The term of 365 days applies to transactions carried out before 05.04.2022.
- **Dividends:** since May 13, 2024, repatriation of eligible dividends up to EUR 1 million (or its equivalent) per month is permitted. Eligible dividends include those accrued from January 1, 2024, onward, but exclude undistributed dividends from earlier periods and reserve capital
- **"Old" cross-border loans**: Interest on loans received before June 21, 2023, that was due between February 24, 2022, and April 30, 2024, can be paid up to EUR 1 million (or its equivalent) per calendar quarter. Interest on these loans due after April 30, 2024, can be paid without any monetary limitations.
- **"New" cross-border loans:** permitted to repay foreign loans within the first year using only own foreign currency funds, then purchasing is allowed. Interest and other loan-related fees can be paid with both owned and purchased foreign currency. The interest rate must not exceed 12% annually.
- **Financing of branches of representative offices** abroad is possible provided that transfers are made: (a) during the current calendar year within the total amount of funds transferred by the resident during 2021 for the maintenance of its branches, representative offices (no more than 1/4 of this amount may be transferred within one calendar month); and (b) at the expense of the resident legal entity's own funds in foreign currency; and (c) through one bank, and (d) only for covering the branches' operational expenses.
- **Representative offices of international card payment systems and foreign airlines** are allowed to transfer up to EUR 5 million (or its equivalent) per month to their parents.
- **Cash:** issuance of cash in foreign currency has a daily limit of UAH 100,000 (or its equivalent) (≈ USD 2,397), except in certain cases.
- State-owned companies will be able to purchase and transfer foreign currency in favor of nonresidents to buy emission quotas to cover or compensate for carbon dioxide (CO_2) emissions associated with aviation activities.
- Since September 6, 2024, the NBU has set a monthly limit of an equivalent of UAH 100,000 (≈ USD 2,397) for payments to FX accounts abroad using payment cards issued by Ukrainian banks, for transactions under merchant category codes 5094 (precious stones, metals, and jewelry), 5944 (watches, jewelry, and silverware), and 5972 (stamp and coin stores). This limit is in line with the general limit set by the NBU for payments abroad using payment cards issued by Ukrainian banks to accounts in the domestic currency.
- Since September 6, 2024, the NBU has set a monthly limit of an equivalent of UAH 500,000 (≈ USD 11,985) for payments to FX accounts abroad using payment cards issued by Ukrainian banks, for transactions under the merchant category code 6513 (real estate agents and managers). Transactions under this code are executed to pay management fees, rental fees, and other related commissions.

Taxation in Ukraine

1. THE TAX SYSTEM

In Ukraine, taxes and statutory charges are levied in accordance with the Tax Code of Ukraine (effective from 2011). The major taxes and compulsory payments are:

- Corporate income tax (CIT)
- Value added tax (VAT)
- Personal income tax (PIT)
- Unified social contribution (USC)
- Temporary "military charge"
- Excise tax
- Property tax
- Duty
- Land rental fee

All taxpayers are required to register with the State Tax Agency (STA) and to obtain a tax identification (ID) number. Registration is undertaken through the local tax office where the business is located. Without a tax ID number it is not possible to open a bank account in Ukraine.

2. TAXES ON BUSINESS

2.1. Corporate income tax

2.1.1. Tax rates

The basic corporate income tax rate is 18%. In 2024, the rate of 50% was returned to banks, and from January 1, 2025, the rate of 25% is set for financial service providers (except insurance companies).

A simplified tax regime at a low tax rate is available for small businesses (3% or 5% of the sales) and agricultural businesses (the tax is based on the land area used). Special tax treatment also applies to insurance companies and lotteries.

In Ukraine, CIT administration is centralised and no additional corporate income taxes are imposed at regional or local levels. For each reporting period, CIT is calculated on a self-assessed basis.

CIT returns must be filed on a quarterly basis and in some cases – on calendar year basis (for new legal entities, and for entities with a prior year's annual income less than UAH 40 million (≈ USD 955 thousand). It is allowed to credit the foreign income tax (up to the amount of the Ukrainian income tax on the same income)

2.1.2. Taxable base

CIT is levied on tax residents of the Ukraine on their gross worldwide income and it is levied on non-residents on their Ukraine- sourced income. A non-resident entity with place of effective management in Ukraine qualifies as a tax resident taxed on Ukraine-sourced income only.

The taxable base for CIT is calculated as Ukraine and foreign-sourced income, which is determined by adjusting (increasing or decreasing) the financial result before tax (profit or loss), as defined in the financial statements in accordance with IFRS or the national accounting regulations (standards) (an election available for most businesses except banks, insurance companies etc.), for tax differences according to the Tax Code. Income includes any income from the sale of goods/works/services, capital gains, foreign exchange gains, free-of-charge transfers, and other taxable receipts in cash, in kind, or in the form of intangibles accrued within the reporting period.

Taxpayers with annual income below UAH 40 million (≈ USD 955 thousand) may opt to not apply the tax differences.

Ukraine uses an accrual method for tax accounting. Income is realised in the tax period when the transfer of ownership title to goods/services/works occurs, while deductible expenses (forming the cost of production of sales) are recognised on the date when the relevant goods/services/works were supplied.

Dividends received from residents of Ukraine and non-residents under the recipient's control shall not be included into taxable incomes.

2.1.3. Tax loss use

Tax losses can generally be carried forward indefinetely, except for so-called big taxpayers – that are allowed to use in a tax year only 50% of unused tax loss (the remaining 50% can be forward to the next year). It is not allowed to carry back a tax loss.

A taxpayer qualifies as a big one if its sales proceeds exceed EUR 50 mln or the annual amount of taxes exceed EUR 1.5 mln, average staffcount – above 250).

2.1.4. Allowable deductions

Most business-related expenses are deductible for CIT purposes. However, the deductibility of certain expenses is specifically limited (for example, interest payable to related non-residents; royalties paid to non-residents).

2.1.5. Transfer Pricing

The Ukrainian transfer pricing rules correspond to OECD transfer pricing guidelines. The amount of taxable profit received by a taxpayer from one or more controlled operations is considered to be at "arm's length" if the determination of cost or income is calculated in a manner that is no different from the way it is determined for comparable transactions between unrelated parties.

The List of Controlled Operations

For purposes of transfer pricing, controlled operations are defined as the following types of transactions, so long as the total income of the taxpayer and/or its related persons exceeds 150 million UAH (≈ USD 3.6 million) per year and the volume of business transactions of the taxpayer with one counterparty exceeds 10 million UAH (≈ USD 238 thousand) for the corresponding year:

- Business transactions conducted between a taxpayer and related parties that are non-residents (including through a non-related intermediary(ies) that does not perform any significant activities);
- Business transactions amounting to the sale or purchase of goods through a non-resident agent;
- Business transactions between a non-resident and its PE in Ukraine;
- Business transactions where one of the parties is a non-resident of legal forms (specific for each country) that do not pay tax on their foreign incomes and/or do not qualify as a tax resident in a country of their incorporation. The list of such forms in the respective countries is published by the Cabinet of Ministers of Ukraine;
- Business transactions where one of the parties is a non-resident registered in a country that is included in the list of low-tax countries published by the Cabinet of Ministers of Ukraine (including the countries with the CIT rate is at least 5% lower than in Ukraine).

Also 30% adjustment applies to income from sales to a resident of a low-tax jurisdiction or of a special legal form, or expenses on purchases from them unless a transfer pricing documentation proves an arm's length prices.

Annual Reporting and Penalties

For transfer pricing purposes, the reporting period is the calendar year. Taxpayers having transactions with controlled operations during the reporting year with a counterparty in amount exceeding UAH 10 million (≈ USD 238 thousand) should submit a report on controlled operations and a notification on participating in a multinational group to the tax office before 1 October of the following year (in a prescribed format) and the transfer pricing documentation on them – within 30 days after the tax office's request.

Also big businesses are required to file a master file and a country-by-country report (if the group revenues exceed EUR 50 mln and EUR 750 mln respectively).

2.1.6. Withholding tax

Any income received by (and paid to) a non-resident company is subject to a withholding tax (WHT) in Ukraine at a rate of 15% unless an applicable double tax treaty provides otherwise and the income's beneficial owner is confirmed (also anti-avoidance rules apply to prevent treaty shopping). Such income includes dividends, interest, royalties, capital gains, lease payments, brokerage and agency commission, and so on. Income from a non-resident's sale of a Ukrainian real estate company is also subject 15% WHT.

Income received as consideration for goods/services/works provided to a resident is mostly WHT exempt. Different WHT rates apply to certain types of income paid to non-resident's (for example, freight, insurance premiums paid abroad, and advertising fees). Withholding tax rate may be reduced under an international taxation convention (Appendix 1).

Ukraine started to apply MLI in December 2019.

2.1.7. Taxation of non-residents acting via permanent establishment

Foreign entities that conduct commercial or non-commercial activities in Ukraine are required to follow the tax registration procedure and file the CIT returns for commercial activities via their permanent establishment (PE) in Ukraine.

PE is a fixed place of business through which economic activities of a non-resident in Ukraine are carried out wholly or partially, in particular: a place of management; branch; office; factory; workshop; installation or structure for the exploration of natural resources; mine, oil/gas well, a quarry or any other place of extraction of natural resources; warehouse or premises used for the delivery of goods, computer servers.

PEs are subject to normal corporate income tax. However, an exemption may be available if the activities of the non-resident do not lead to creation of a PE under the Tax Code or the relevant tax treaty. With regard to corporate income tax, taxable profits of a PE can be determined based on direct method where profits are determined as gross income (received offshore or onshore) less allowable expenses incurred by the PE.

2.1.8. Thin capitalisation

For a debtor whose debt obligations from transactions with non-resident related parties exceed itse equity by more than 3.5 times (or by more than 10 times for financial institutions and companies involved exclusively in leasing activities), the debtor's financial result before tax is additionally increased by the excess amount of interest on loans, borrowings, and other debt obligations over 30% of the financial result before tax, interest and depreciation (EBITDA).

Interest that exceeds this limit is added back (i.e., increases the financial result before tax). Annually the taxpayer may carry forward 95% of the remaining excessive interest (non-deducted during a year) until it is fully utilized.

2.1.9. Controlled Foreign Companies (CFC)

CFC's profits are taxed at 18% for legal entities and 5% or 9% for an individual. In order to control the taxation of profits of a controlled foreign company, the reporting (tax) period is a calendar year or other reporting period of the controlled foreign company ending within a calendar year.

2.2. Value added tax

2.2.1. Tax rates

In general terms, Ukraine uses input/output VAT system similar to the EU. VAT applies at the following rates:

- **20%** is levied on the supply of goods and services in the customs territory of Ukraine and on the importation of goods and services to Ukraine.
- **7%** - for medical drugs and products.
- **14%** - import and local sales of some agricultural products.

Supplies of certain goods and services (for example, charitable aid, financial services, and so on) and export of software development, consulting and some other services, are exempt from, or not subject to, VAT. (That is, they are exempt without a right to VAT credit).

Export supplies of goods are zero-rated. (That is, they are exempt with a right to VAT credit).

Since 2022 e-supplies of services to individuals in Ukraine are subject to 20% VAT and the foreign providers must VAT register in Ukraine (if their sales in Ukraine exceed UAH 1 million (≈ USD 24 thousand) for any preceding 12 month period), add 20% VAT to the price and file the monthly VAT returns, and settle the VAT to the state.

2.2.2. Registration for VAT purposes

Registration as a VAT payer is compulsory for all Ukrainian companies, individuals, and permanent establishments of non-resident companies that qualify as VAT payers (in other words, those whose volume of transactions subject to VAT exceeds UAH 1 million (≈ USD 24 thousand) for any preceding 12 months of operation.

Taxpayers whose volumes of transactions do not reach the mandatory threshold can voluntarily register as VAT payers.

2.2.3. VAT mechanism

The amount of VAT that a registered VAT payer incurs on local purchases of goods and services (so-called input VAT) can be credited against the taxpayer's VAT liabilities (so-called output VAT) in computing the final VAT payable to (or refundable from) the government. The input VAT amount in excess of the taxpayer's VAT liabilities may be used to offset VAT liabilities of subsequent tax periods, or it can be refunded in cash.

VAT on import of goods (payable to the customs) and services is collected through a reverse charge mechanism (sometimes referred to as "import VAT"). This mechanism requires self-assessment and payment of the 20% VAT by a Ukrainian importer for the tax period (which is a month under the VAT system) when goods/services are imported to Ukraine. The paid VAT can usually be claimed by the Ukrainian importer as a VAT credit in the same tax period. If the goods or services imported are used in transactions that are not subject to VAT, or for transactions outside the business activity of the Ukrainian importer, the import VAT cannot be recovered, and it becomes a cost to the Ukrainian importer.

The reverse charge mechanism does not apply if a non-resident service provider has a PE registered as a VAT payer in Ukraine. In such a case, the VAT registered PE is in charge of assessing VAT liabilities, offsetting them against the input VAT, and paying the difference to the government.

2.2.4. System of electronic VAT administration

VAT payers are automatically assigned with accounts in the system of electronic VAT administration. The system of electronic VAT administration ensures automated VAT accounting in respect of each taxpayer.

Upon sale VAT payers must register all VAT invoices in the system that is a pre-condition for recognition of VAT credit by a customer/buyer.

2.2.5. VAT reporting

For VAT purposes, the reporting period is a calendar month (though in rare cases of low volume activities it can be a quarterly reporting period). VAT payers are required to file VAT returns within 20 days after the end of the reporting month. VAT payable, if any, should be remitted to the government within 30 days after the end of the reporting month.

2.3. Unified tax

Legal entities and individual entrepreneurs may choose to pay taxes pursuant to so-called "simplified taxation system", if they meet certain thresholds. In such cases, they can be registered as unified taxpayers (UT). Unified taxpayers are exempt from some taxes. For example, depending on the UT taxpayer group, UT is a substitute for corporate income tax, personal income tax regarding the business activity of an individual, VAT (unless the taxpayer chooses to pay Unified Tax at a reduced rate plus VAT), land tax (on land used for business purposes), and so on.

If a taxpayer engages in certain, specifically excluded types of business activities or is owned by a non-resident, they cannot qualify as unified taxpayers. The types of activities listed include, for example, currency exchange, production, export, import or local sales of excisable goods, gambling, financial services, and so on. Non-resident individuals of Ukraine are also not allowed to be registered as unified taxpayers. UT taxpayers are also subject to simplified tax reporting requirements.

The unified tax system consists of 4 groups. The reporting period for Groups 1, 2, and 4 is the calendar year, for Group 3 it is quarterly.

Details about Unified Tax Groups, as well as the income thresholds, types of activities UT taxpayers may engage in, and the UT rates are provided in Appendix 2.

3. TAXATION OF INDIVIDUALS

3.1. Personal income tax

In Ukraine, individuals are subject to PIT depending on whether they are tax residents or not. Individuals who are tax residents of Ukraine are taxed on their worldwide income and non-residents are taxed on their Ukraine-sourced income only. Under Ukrainian law, Ukraine-sourced income is income derived by an individual as a result of any labour or business activity performed in Ukraine, including remuneration for the work performed in Ukraine, whether paid by a Ukrainian or a foreign company.

Under Ukrainian law, an individual can be considered a tax resident of Ukraine if he/she meets the Ukrainian tax residency criteria, which are as follows:

- An individual is considered a Ukrainian tax resident if he/she has a domicile in Ukraine.
- If the individual also has a domicile in another country, the individual is deemed to be resident of Ukraine provided he/she has a permanent place of residence in Ukraine.
- If the permanent place of residence is also available in another country, the individual is deemed to be resident of Ukraine provided his/her centre of vital interests is situated in Ukraine.
- If it is not possible to determine the actual centre of vital interests, or if the individual does not have a permanent place of residence in any country, the individual is deemed to be tax resident of Ukraine if he/she stays in Ukraine at least 183 days during a calendar year.

In Ukraine, both resident and non-resident individuals are taxable at the tax rate of 18%.

Dividends income is taxed that the rate of 5% if the dividends payer is a corporate income taxpayer and 18% in other cases.

Interest on bank deposits and current accounts is taxed at the rate of 18%.

Generally, any benefit provided by the individual's employer is subject to tax in Ukraine, unless such benefit and/or reimbursement of expenses is provided by the Ukrainian employer and is connected with the employment duties of the employees according to the employment agreement or in a collective agreement.

Under Ukrainian law, income received from foreign sources, or income from Ukrainian sources that was not taxed at source, is subject to taxation in Ukraine based on an annual tax return. The obligation to report this income in Ukraine and to pay the tax rests with the individual. The tax return is filed with the district/city tax authorities' office at the place of the individual's domicile in Ukraine.

The annual tax return is due by 30 April of the year after the end of the calendar year. The self-assessed tax is due by 31 July of the year after the end of the calendar year. The tax can be paid in UAH only.

If a remuneration to an individual (whether the individual is a tax resident or non-resident) is paid through the payroll of a Ukrainian entity, the income tax is withheld at source. In such cases the individual is not required to submit any tax return in Ukraine.

Where Ukraine has an international treaty (that is, a double taxation treaty) that provides for tax treatment other than that provided under Ukrainian law, the rules of the international treaty prevail over domestic legislation.

3.2. Military charge

In addition, a temporary "military charge" has been introduced from 2014 that will be effective until the end of martial law. As of December 01, 2024, the rate of the military tax is 5% of employment income (withheld by the employer, or self-assessed on the PIT return together with PIT self-assessment) and is applied in respect of all other types of income that is subject to personal income tax.

Moreover, as of October 01, 2024, the military tax will be introduced for individual entrepreneurs. For these taxpayers, the military tax is introduced at the following rates (effective as of January 01, 2025):

- 10% of the minimal wage (i.e., UAH 800 ≈ USD 19 monthly) — for the groups 1, 2, 4;
- 1% of the revenue — for the group 3.

3.3. Tax data exchange

In 2022 Ukraine joined the Common Reporting Standards multilateral agreement. In Sep 2024 Ukraine exchanged the tax information with agreed countries for the first time, for 2023 calendar year.

UNIFIED SOCIAL CONTRIBUTION

In addition to personal income tax (PIT), remuneration, allowances, and similar payments made to employees (whether Ukrainian or foreign nationals) through a Ukrainian payroll are subject to the unified social security contribution (USC), which is paid by an employer at its expense. Only foreign individuals working in a foreign company's representative office are not subject to USC.

The monthly taxable base for USC is capped at 20 times the minimum wage (in 2025 the cap equals to UAH 160,000/month or ≈ USD 3,800/month).

USC due from the employer is payable when the remuneration is paid. Employers' contribution is 22% of the gross income, up to the monthly cap.

5. OTHER TAXES

5.1. Customs duty

Importation of equipment, machinery, materials, and other goods is usually subject to Ukrainian import duties. No import (customs) duties apply if a foreign shareholder (investor) contributes equipment and machinery to the share capital of its Ukrainian subsidiary, provided the Ukrainian company does not dispose of the contributed equipment and machinery within three years.

In-kind capital contributions are, however, subject to Ukraine's 20% VAT under the reverse charge regime.

Import (customs) duties are levied on the customs value of imported goods and are calculated in a variety of ways:

- as an ad valorem tax (that is, as a percentage of the customs value of the imported goods),
- as a certain fixed amount per imported item, or
- as a combination of the two.

Regular Ukrainian customs duty rates on import of specific goods are set out in the Law of Ukraine "On the Customs Tariff of Ukraine".

Reduced rates of customs duties apply to goods originating from most favoured nation countries (subject to providing certificate of origin). Full rates apply to goods from other countries.

The import of goods is subject to 20% VAT that is paid using the reverse charge mechanism. The amount of VAT is assessed based on the customs value of the imported goods plus import customs duties and excise duties. Also, if excisable goods are imported in Ukraine (for example, cigarettes, alcohol products, and so on), the importer is required to pay excise duty before customs clearance. Export of goods from Ukraine is generally subject to 0% Ukrainian VAT (exemption with credit) and is typically exempt from customs duties.

5.2. Excise tax

Excise tax rates on imports are assessed at rates on the sum of the declared customs value and customs duties, without VAT. Payment should be made in Ukrainian currency at the Ukrainian National Bank exchange rate effective on the date of payment. Excise tax is also paid by Ukrainian manufacturers of excisable goods.

Excise tax is paid on cars, tobacco, alcoholic beverages, fuel, and electric energy.

As well, a 5% excise tax was introduced on retail sales of excisable goods such as tobacco, beer and alcoholic beverages. This tax is charged by the retail sales companies.

5.3. Property Tax

For property tax purposes, residential and non-residential property owned by individuals and legal entities are considered taxable objects. The tax base is the total area of residential and non-residential property. The tax rate is up to 1.5% of the minimum wage per 1 sq.m. of the taxable base (in 2025 the minimum wage is UAH 8 000 or ≈ USD 191, thus UAH 120 per sq.m.).

The tax period for property tax purpose is the calendar year.

Chart of withholding tax rates

The following chart presents a list of withholding tax rates that may be applicable to certain types of income derived from the Ukraine by non-residents of Ukraine.

DOUBLE TAX TREATIES/ RECIPIENT RESIDENT IN	WITHHOLDING TAX RATES (WHT)			
	DIVIDENDS %	INTEREST %	ROYALTY FOR LITERARY WORKS %	ROYALTY FOR INDUSTRIAL PROPERTY %
ALGERIA	5 (25)/15	10	10	10
ARMENIA	5 (25)/15	10	0	0
AUSTRIA	5 (10)/10	2/5	5	0
AZERBAIJAN	10	10	10	10
BELARUS (terminated)	15	10	15	15
BELGIUM	5 (20)/15	2/5	5	0
BRAZIL	10 (25)/15	15	15	15
BULGARIA	5 (25)/15	10	10	10
CANADA	5 (20)/15	10	0/10	10
CHINA	5 (25)/10	10	10	10
CROATIA	5 (25)/10	10	10	10
CYPRUS	5 (20)/15	2	10	5
CUBA	5/15	10	0	5
CZECH REPUBLIC	5 (25)/15	5	10	10
DENMARK	5 (25)/15	10	10	10
EGYPT	12	12	12	12
ESTONIA	5 (25)/15	10	10	10
FINLAND	5 (20)/15	5/10	10	5
FRANCE	5 (10/20)/15	2/10	10	0
GEORGIA	5 (25)/10	10	10	10
GERMANY	5 (20)/10	2/5	5	0
GREECE	5 (25)/10	10	10	10
HUNGARY	5 (25)/15	10	5	5
ICELAND	5 (25)/15	10	10	10
INDIA	10 (25)/15	10	10	10
INDONESIA	10 (20)/15	10	10	10
IRAN	10	10	10	10
ISRAEL	5 (25)/10/15	5/10	10	10
ITALY	5 (20)/15	10	7	7
JAPAN	15	10	0	10
JORDAN	10 (25)/15	10	10	10
KAZAKHSTAN	5 (25)/15	10	10	10
KOREA	5 (25)/15	5	5	5
KUWAIT	5	0	10	10
KYRGYZSTAN	5 (50)/15	10	10	10
LATVIA	5 (25)/15	10	10	10
LIBYA	5 (25)/15	10	10	10

DOUBLE TAX TREATIES/ RECIPIENT RESIDENT IN	WITHHOLDING TAX RATES (WHT)			
	DIVIDENDS %	INTEREST %	ROYALTY FOR LITERARY WORKS %	ROYALTY FOR INDUSTRIAL PROPERTY %
LEBANON	5 (20)/15	10	10	10
LITHUANIA	5 (25)/15	10	10	10
LUXEMBOURG	5 (20)/15	5/10	10	5
MACEDONIA	5 (25)/15	10	10	10
MALAYSIA	15	15	15	10
MALTA	5 (20)/15	10	10	10
MEXICO	5(25)/15	10	10	10
MOLDOVA	5 (25)/15	10	10	10
MONGOLIA	10	10	10	10
MOROCCO	10	10	10	10
NETHERLANDS	5 (20)/15	2/10	10	0
NORWAY	5 (25)/15	10	10	5
PAKISTAN	10 (25)/15	10	10	10
POLAND	5 (25)/15	10	10	10
PORTUGAL	10 (25)/15	10	10	10
REPUBLIC OF SOUTH AFRICA	5(20)/15	10	10	10
ROMANIA	5(20)/15	10	15	10
RUSSIA (terminated)	5/15	10	10	10
SAUDI ARABIA	5(20)/15	10	10	10
SINGAPORE	5(20)/15	10	7,5	7,5
SLOVAKIA	10	10	10	10
SLOVENIA	5(25)/15	5	10	5
SPAIN	18	0	0	5
SWEDEN	5(20)/10	10	10	10
SWITZERLAND	5(20)/15	10	10	0
SYRIA	10	10	18	18
TAJIKISTAN	10	10	10	10
THAILAND	10(25)/15	10/15	15	15
TURKEY	10(25)/15	10	10	10
TURKMENISTAN	10	10	10	10
UNITED ARAB EMIRATES	5(10)	3	10	0
UNITED KINGDOM	5(20)/10	0	0	0
USA	5(20)/15	0	10	10
UZBEKISTAN	10	10	10	10
VIETNAM	10	10	10	10
YUGOSLAVIA (SERBIA AND MONTENEGRO)	5(25)/10	10	10	10

Notes:

(1) Figures in the brackets in the "Dividends" column indicate the minimum percentage share ownership a foreign shareholder in a Ukrainian company must own in order for the reduced WHT rate to apply (provided such shareholder is the beneficial owner of such dividends).

(2) Figures indicated in the table above separated by a slash (/) suggest that different WHT rates may apply to a particular type of income under the relevant double taxation treaty, depending on the circumstances.

Unified tax groups information

GROUP	NUMBER OF EMPLOYEES	INCOME FOR CALENDAR YEAR	TYPES OF ACTIVITIES	UT RATE: FIXED (% OF MINIMUM WAGE DATED AS AT 1ST OF JANUARY) OR % OF INCOME/ VALUE
1. Individuals - entrepreneurs	None	No more than UAH 1,185,700 (USD 28,421)	Retail sales of goods at markets, rendering of consumer services to individuals	Up to 10% of minimum income (UAH 302,8 per month in 2024)
2. Individuals - entrepreneurs	No more than 10 employees (simultaneously)	No more than UAH 5,921,400 (USD 141,935)	Rendering services (including consumer services) to the unified taxpayers and individuals; goods manufacturing and sale; catering	Up to 20% of minimum wage (UAH 1,420 per month in 2024)
3. Individuals - entrepreneurs & legal entities	Not limited	No more than UAH 8,285,700 (USD 198,608)	All type of business activities (except excluded activities)	a) 3% of income + VAT b) 5% of income without VAT
4. Agricultural producers	Not limited	Agricultural production for the previous year not less than 75%	Agriculture	0.19%-6.33% of the agricultural land value

Export Credit Agency (ECA) programs

ECA provides investment insurance in Ukrainian export-oriented production!

The Supervisory Board of the Export Credit Agency has implemented new insurance investment products against military and political risks according to the Law of Ukraine 3497-IX.

How does this work?

Direct investment insurance:

- Investor (resident or non-resident) owns a share of over 10%.
- The investment is aimed at the development of the processing industry and export.
- Investees in Ukraine (except for combat zones and occupied territories).
- The products meet the requirements of the profile for the ECA legislation of Ukraine.
- Protection from war risks: war, aggression, conflicts, terrorism, occupation.
- Maximum amount: UAH 200 million
- Rate: 0.49%-8.01%.

Insurance of investment loans:

- Credit is given to the Ukrainian business entity.
- The credit is aimed at the creation of entities for export.
- Entities in Ukraine (except zones of combat and occupied territories).
- Protection from war risks: war, aggression, conflicts, terrorism, occupation.
- Maximum amount: UAH 200 million
- Rate: 0.95%-4.05

Export Credit Insurance

ECA	Bank	Business	Export-oriented production	New export
Insurance contract	Credit contract		Creation of entities and infrastructure necessary for the development of processing industries and export of goods (works, services) of Ukrainian origin	Export of goods, works, services that meet the requirements of Article 8 of the Law of Ukraine "On Financial Mechanisms for Stimulating Export Activities"

1. A business entity provides the bank with a business plan or feasibility study justifying the impact of credit funds on future exports
2. ECA insurance covers non-repayment of the credit solely due to the political and military risks.

NEW! Insurance of direct investments in Ukraine against military and/or political risks

Investor-Insured

← Insurance contract →

- Individual/legal entity
- Resident/non-resident
- Private/state
- Connected person with the investee

Direct Investment

- This is an economic operation that provides for the contribution of capital investments in exchange for ownership rights, received from another person (or an investee), or such person.
- If the investee is a limited liability company or a joint-stock company, the acquisition or increase of corporate rights in the investee, along with parts of such companies.

Investment Object

- A legal entity located in Ukraine, except for the temporary occupied areas
- The purpose **of direct investment** is the creation of entities and infrastructure necessary for the development of processing industries and export of goods (works, services) of Ukrainian origin:
- Goods (works, services) that are exported because of investment, must meet the requirements of Article 8 of the Law of Ukraine "On Financial Mechanisms for Stimulating Export Activities"

Having all necessary permits and licenses for corporate rights of the investor, they must not exceed 10%

War Risk Insurance Support Instrument

About

Insurance and reinsurance broker McGill and Partners, in collaboration with Lloyd's Lab Insurtech FortuneGuard and Ukrainian insurer ARX, have introduced a new war risk reinsurance instrument for commercial property in Ukraine. This instrument provides comprehensive insurance coverage with limits up to $50M for commercial properties and investments, addressing the challenges posed by the war in Ukraine.

Key Features

Coverage

- Insures against damage caused by missiles, drones, rockets, and air defence system wreckage.

Policy Limits

- Up to $50M and higher in some cases

Premium Rates

- Premium rates start at 1% of the insured limit and vary based on several factors, including asset location, proximity to critical infrastructure, the history of drone and missile strikes in the surrounding area, etc.

Comprehensive Structure

Includes local insurance from ARX with reinsurance to Lloyd's and London reinsurance market for 100% of risk in excess of ARX's retention.

Exclusions

- Excludes areas within 100 km of the war zone.
- Excludes non-missile/drone-related terrorism acts.
- Excludes theft, marauding, and pilferage.
- No coverage for nuclear, chemical, or biological weapons.
- Excludes artillery, aerial bombs, and other weapons not explicitly covered.
- Excludes cyber risks.

Who Can Benefit?

The facility is designed for business and investment projects operating in Ukraine, including:

- Large Commercial Property
- New Construction & Real Estate Development
- Equity Investments & Financial Institutions
- Green Energy & Infrastructure
- Manufacturing & Industrial Facilities
- Logistics, Warehousing & Supply Chain
- Agriculture & Food Supply
- Healthcare & Pharmaceuticals
- Technology & IT Infrastructure
- Consumer Goods & Retail Chain

Submit your request here to access the tool

Financial state support programs

Ukraine has a number of government programs aimed at providing financial support to businesses, namely

The State Program "Affordable Loans 5-7-9%" provides for:

Interest compensation to a business entity in order to reduce its actual costs of paying the base interest rate to the appropriate level:

- up to 1 percent per annum in the first two years of lending, and 5 percent per annum thereafter - for business entities carrying out economic activities and/or whose production facilities are located in the high military risk zone for investment purposes;
- up to 3 percent per annum - for business entities operating and/or whose production facilities are located in the area of high military risk for operating capital financing.

For business entities conducting business activities outside the zone of high military risk, the compensation interest rate is reduced:

- to the level of 5 or 7, or 9 percent per annum- for loans granted for investment purposes;
- to the level of 7 or 9, or 13 percent per annum - for loans granted for operating capital financing;
- up to 15 percent per annum - for loans granted to an individual entrepreneur.

Within the framework of the State Program "Affordable Financial Leasing 5-7-9%":

Compensation of remuneration to a business entity in order to reduce its actual costs of paying basic remuneration to the appropriate level:

- to the level of 9 or 11 per cent per annum - for financial leasing agreements concluded in non-priority areas;
- to the level of 5 or 7 per cent per annum for financial leasing agreements concluded in priority areas.

Support under factoring agreements includes:

- maximum financing limit per counterparty and group - up to UAH 150 million (taking into account received state support under lending and leasing programs);
- maximum term of factoring financing use for a business entity - 360 days.

These programs are mainly regulated by the Resolution of the Cabinet of Ministers of Ukraine On providing financial state support No. 28 dated 24.01.2020.

INVESTMENT NANNY PROGRAM

This program provides for:

- **CIT exemption** (for 5 years by choice)
- **Exemption from VAT** for importing new equipment and components to it and Exemption from import duties for new equipment and components to it (the list and volumes of equipment are approved by the Cabinet of Ministers for each project)
- Lease of state or communal land plots **without land auctions**
- **Compensation for the costs of connecting and joining** the engineering and transport networks necessary for the implementation of the project
- **Land tax exemption or reduced land tax rates**, etc.

The total amount of government support for the implementation of an investment project is set out in a special investment agreement and should not exceed 30% of the planned amount of major project investments.

This program is mainly regulated by the Law of Ukraine "On State Support of Investment Projects with Significant Investments in Ukraine" and Tax Code of Ukraine.

The Law of Ukraine "On Government Support for Major Investment Projects" defines the organizational, legal and financial framework for state support of investment projects to create favourable conditions for attracting significant investments (domestic and foreign) to Ukraine, creating new jobs, stimulating economic development of regions and increasing the competitiveness of the Ukrainian economy.

Areas of investment project implementation

To receive government support under the Investment Nanny Program, an investment project with major investment should be implemented in Ukraine in the following areas:

- processing industry (except for activities related to the production and sale of tobacco products, ethyl alcohol (except for the production of bioethanol intended for use as a fuel component), cognac and fruit, alcoholic beverages)
- production of biogas and biomethane (including liquefied or compressed)
- extraction of minerals for further processing and/or enrichment (except for coal and lignite, crude oil and natural gas)
- waste management
- transport
- logistics
- warehousing
- postal and courier activities;
- education
- scientific and scientific-technical activities
- healthcare
- art and culture
- sports
- tourism
- resort and recreation
- electronic communications.

Requirements for investment projects

- **Minimum investment**: The project should involve investments of at least EUR 12 million for the implementation of the investment project.
- **Construction and modernization:** An investment project involves the construction, modernization, technical and/or technological re-equipment of investment objects in certain areas, and the purchase of the necessary equipment and components.
- **Creation of new job positions**: The project must ensure the creation of at least:
  - 10 new job positions with an average salary of employees at least 50 per cent above the actual average salary;
  - 30 new job positions with an average salary at least 30 per cent above the real average salary;
  - 50 new job positions with an average salary at least 15 per cent above the real average salary.
- **Duration of project implementation**: The maximum project implementation period may not exceed 5 years from the date of conclusion of the special investment agreement.

Special investment agreement

To get government support, an investor should enter into a special investment agreement with the Government of Ukraine. This agreement contains, in particular, the following mandatory terms and conditions:

- Investment amount
- Project implementation period
- The number of job positions created and their minimum wage
- Terms and forms of government support, etc.

Requirements to investors

- An investor can be either a domestic or a foreign legal entity.
- The investor should register an investment company in Ukraine, which will be responsible for the implementation of the project.
- The investor should confirm the amount of significant investments made into the investment object.

ECONOMIC SUPPORT PROGRAM

6,97 billion EURO - Investmer

Thanks to the risk-sharing mechanisms, EU national development banks can apply for instruments under the second pillar to mobilise investments. European Commission, with national development banks, is now investigating the possible instruments and their terms for supporting Ukraine's rebuilding efforts via long-term **investment loans secured with Ukraine Facility Guarantee** (the terms of the investment are still to be announced by the EC). In this regard, two potential financial instruments may be available:

I. **Direct loans for investment projects for both European and Ukrainian private partners with the following characteristics:**
   1. Equity: minimum 30% of the total project costs (max 70% of debt financing);
   2. Size of the project: minimum EUR 5 mln, maximum not determined yet;
   3. Currency: EUR (the loan has to be denominated and repaid in EUR);
   4. Tenor: to be determined, possibly financing up to 10+ years.

II. **Intermediated financing through local Ukrainian banks**
   1. Limits risks for creation and support of local market;
   2. Easily implementable in the prolonged war scenario;
   3. Indirectly, it can support European businesses with tailor-made solutions for specific sectors of the Ukrainian economy.

In Nordic countries, potential Institutions that will receive a guarantee under the second Pillar can be the Nordic Investment Bank, Nordic Investment Fund, Norfund, Swedfund, IFU and others…

Pillar 1
Support to Ukraine Plan

- **EU support to Ukraine's Plan** through grants and loans to the State budget, to:
  - address the **urgent financial needs of the State** to maintain macro-financial stability
  - promote investments that foster **recovery, reconstruction and modernisation** (with tracking for green, local)
  - encourage reforms needed for **EU accession**

Pillar 2
Ukraine Investment Framework

- **De-risking mechanism available to investors** through International Financial Institutions to scale up investments and crowd in new investors
- **Support to the Ukrainian private sector** (at least 15% to SMEs)
- **Technical assistance to support preparation and implementation of investments**
- **25% time-bound exclusivity period for EIB**

Pillar 3
Assistance programmes

- **Technical assistance to the Government** (EU acquis, structural reforms)
- **Capacity building of the authorities** at national, regional and local level
- **Support to civil society**
- Coverage of **interest rate subsidies** for loans, including legacy MFA and provisioning

- ***In partnership with*** *States & European Financial institutions (Team Europe), and other international Financial Institutions*
- ***In coordination with*** *the Multi-Agency Donor Coordination Platform*
- ***Key stakeholders*** *Civil Society Private Sector Local authorities*

Diia.City - preferable special tax regime for IT industry in Ukraine

provides unique tax and legal space for IT business, making it easier and less expensive to manage and operate your business.

Labor Taxes:

- Personal income tax — **5%** vs 18% on general taxation
- Social Security fee — **22%** of the min wage (apx. 40 EUR person / month) vs 22% on full gross salary on general taxation (with an upper limit)
- Military tax — **5%**

Corporate Tax:

- **9%** exit capital tax or **18%** income tax

Diia.City conditions fixed for 25 years

The state guarantees residents of the Diia.City the stability of conditions for 25 years, as well as observance of the rights and legitimate interests of residents and the specialists.

If your company has such financial indicators (example):

- Revenue — €200,000
- Founders' dividends /NI — € 20 000
- Staff — 10 people
- Average salary— €1,200/month (€144,000 gross per annum)

Such a company and its employees are going to pay €21.6K in taxes within the Diia.City annualy:

- Income tax: €0 (vs €3,600)
- Exit Capital Tax: €1,800
- **Personal Income Tax + Military Tax: €14,400 (vs €28,080)**
- Social security fee: €5,400 (vs € 31,680)

Access to EU Finance - How it works?

Who is eligible for EU funding?

EU Funding is available for all types of companies of any size and sector.

A wide range of financing is available: loans, microfinance and venture capital. Every year the EU supports more than 200 000 businesses. The EU also supports businesses with grants and contracts.

How it works

The **decision** to provide EU financing will be **made by the local financial institutions** such as banks, venture capitalists or angel investors.

Thanks to the EU support the local financial institutions can provide additional financing to businesses.

The exact financing conditions – the amount, duration, interest rates and fees – are determined by these financial institutions.

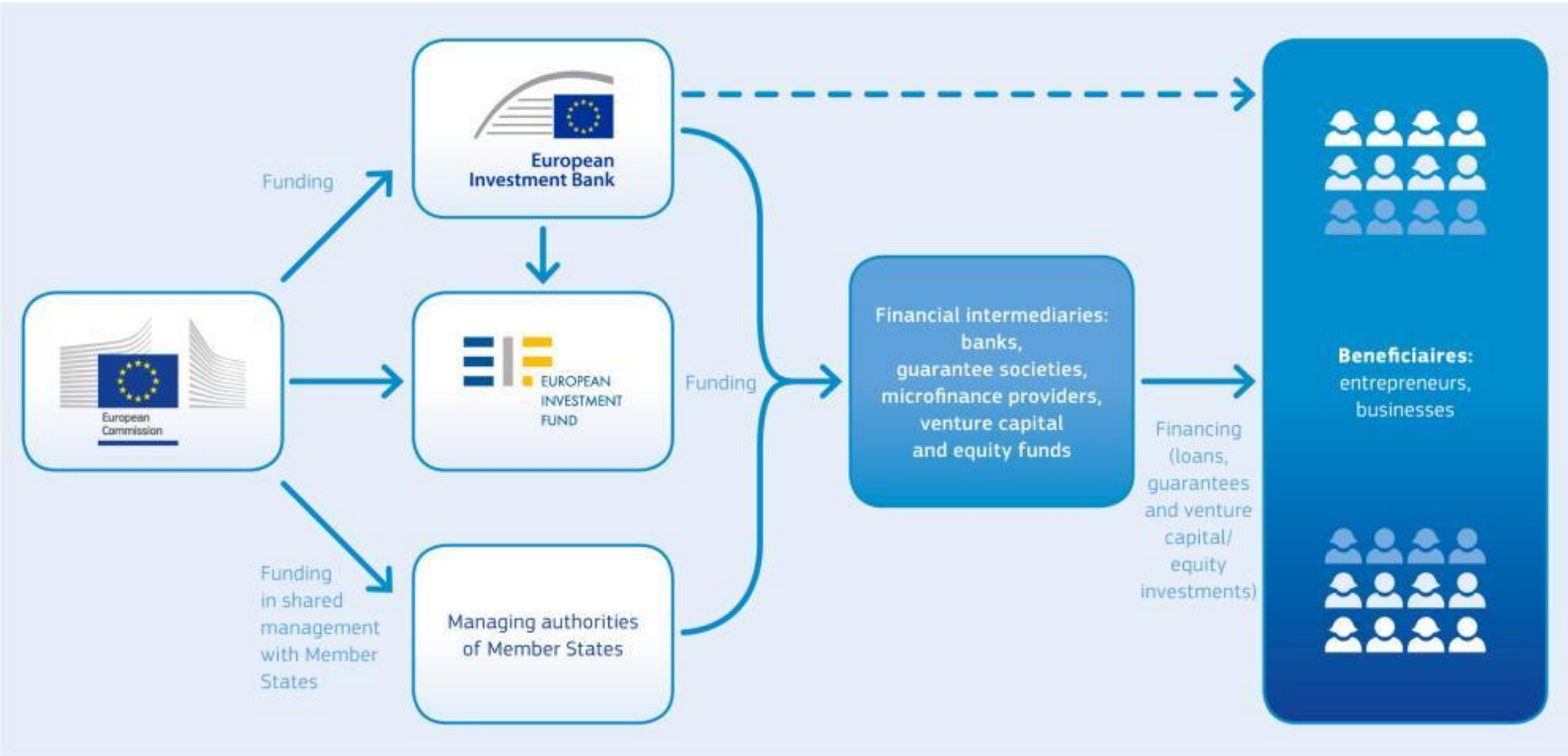
You can **contact one of over 20 banks in Ukraine** to find out more.

Your right for credit feedback

You have a right to get feedback from credit institutions on their credit decision.

This can help you understand your financial position and improve your chances to obtain financing in the future.

Use your right and refer to Article 431 of the EU Capital Requirements Regulation.



Source - Access to EU Finance - Access to EU Finance - European Commission (europa.eu)

Selected Banks in Ukraine

Financial inter-mediaries	Type of finance	Investment focus	Amounts of Finance	Additional information	Sources of finance
JSC Agroprosperis Bank	Loan/ Guarantee	All sectors/ general	Min: 0 EUR Max: 9,999,999,999 EUR	Focus: Agriculture sector	EFSE
JSC Bank Lviv	Loan/ Guarantee	All sectors/ general	Min: 0 EUR Max: 9,999,999,999 EUR	Focus: Agriculture sector	EFSE
JSC 'Tascombank'	Loan/ Guarantee	All sectors/ general	Min: 0 EUR Max: 25,000,000 EUR	EIB loans can be used to finance all tangible and intangible investments. Support of internationalisation	EIB
JSC Raiffeisen Bank Aval	Loan/ Guarantee	All sectors/ general	Min: 0 EUR Max: 25,000,000 EUR	EIB loans can be used to finance all tangible and intangible investments. Support of internationalisation	EIB
JSC Agroprosperis Bank	Loan/ Guarantee	All sectors/ general	Min: 0 EUR Max: 25,000,000 EUR	EIB loans can be used to finance all tangible and intangible investments. Support of internationalisation	EIB
JSC Bank Alliance	Loan/ Guarantee	All sectors/ general	Min: 0 EUR Max: 25,000,000 EUR	EIB loans can be used to finance all tangible and intangible investments. Support of internationalisation	EIB
JSC Bank Lviv	Loan/ Guarantee	All sectors/ general	Min: 0 EUR Max: 25,000,000 EUR	EIB loans can be used to finance all tangible and intangible investments. Support of internationalisation	EIB
JSC Piraeus Bank ICB	Loan/ Guarantee	All sectors/ general	Min: 0 EUR Max: 25,000,000 EUR	EIB loans can be used to finance all tangible and intangible investments. Support of internationalisation	EIB
Kredobank	Loan/ Guarantee	All sectors/ general	Min: 0 EUR Max: 9,999,999,999 EUR		EFSE, Other
OTP Leasing UA	Loan/ Guarantee	All sectors/ general, Leasing	Min: 0 EUR Max: 9,999,999,999 EUR		EFSE
PJSC Bank Vostok	Loan/ Guarantee	All sectors/ general	Min: 0 EUR Max: 25,000,000 EUR	EIB loans can be used to finance all tangible and intangible investments. Support of internationalisation	EIB
PJSC MTB Bank	Loan/ Guarantee	All sectors/ general	Min: 0 EUR Max: 25,000,000 EUR	EIB loans can be used to finance all tangible and intangible investments. Support of internationalisation	EIB

Financial inter-mediaries	Type of finance	Investment focus	Amounts of Finance	Additional information	Sources of finance
Pravex Bank	Loan/ Guarantee	All sectors/ general	Min: 0 EUR Max: 25,000,000 EUR	EIB loans can be used to finance all tangible and intangible investments. Support of internationalisation	EIB
ProCredit Bank JSC	Loan/ Guarantee	All sectors/ general, Research, Development, Innovation	Min: 25,000 EUR Max: 7,500,000 EUR	EIB loans can be used to finance all tangible and intangible investments. Support of internationalisation	EIB
ProCredit Bank Ukraine	Loan/ Guarantee	All sectors/ general	Min: 0 EUR Max: 9,999,999,999 EUR		EFSE
ProCredit Bank Ukraine JSC	Loan/ Guarantee	All sectors/ general, Digitalisation, Research, Development, Innovation	Min: 25,000 EUR Max: 7,500,000 EUR		InnovFin
Piraeus Bank UA	Loan/ Guarantee	All sectors/ general	Min: 0 EUR Max: 9,999,999,999 EUR		EFSE, Other
PJSC "Ukrgasbank" (APEX Loan)	Loan/ Guarantee	All sectors/ general, Research, Development, Innovation	Min: 25,000 EUR Max: 7,500,000 EUR	EIB loans can be used to finance all tangible and intangible investments. Support of internationalisation	EIB
PJSC "West Finance and Credit Bank" (APEX Loan)	Loan/ Guarantee	All sectors/ general, Research, Development, Innovation	Min: 25,000 EUR Max: 7,500,000 EUR	EIB loans can be used to finance all tangible and intangible investments. Support of internationalisation	EIB
State Export-Import Bank of Ukraine (JSC Ukreximbank)	Loan/ Guarantee	All sectors/ general, Research, Development, Innovation	Min: 25,000 EUR Max: 7,500,000 EUR	EIB loans can be used to finance all tangible and intangible investments. Support of internationalisation	EIB
State Savings Bank of Ukraine JSC (Oschadbank)	Loan/ Guarantee	All sectors/ general, Research, Development, Innovation	Min: 25,000 EUR Max: 7,500,000 EUR	EIB loans can be used to finance all tangible and intangible investments. Support of internationalisation	EIB
IEU4Business	Loan/ Guarantee, Equity/ Venture capital, Other	All sectors/ general	Min: 0 EUR Max: 9,999,999,999 EUR	EU is supporting small and medium enterprises (SMEs) in Ukraine through its initiative EU4Business. At this platform, you may learn how to get a credit or a grant, improve your business development skills and get access to new markets	Other

Business Setup and Registration in Various Legal Forms

The most common forms of establishing a business by non-residents in Ukraine are:

- acquisition of a part of corporate rights in a Ukrainian company
- opening a permanent establishment of a non-resident in Ukraine
- registration of business entities in Ukraine: a limited liability company (LLC) or an additional liability company (ALC), a joint-stock company (JSC), etc.
- registration as an individual entrepreneur
- registration of a public association.

Acquisition of corporate rights in a company by a non-resident

This refers to becoming a member of an existing company by a non-resident in exchange for contributed property or non-property rights. They may be contributed in cash or in the form of property, securities, property rights or intellectual property rights. The types and forms of foreign investment are listed in more detail in Articles 2 and 3 of the Law of Ukraine "On the Regime of Foreign Investments".

The inclusion of a new shareholder (including a non-resident) entails a change in the composition of the company's shareholders and/or the size or ratio (proportions) of the share capital. This results in the need to amend the company's constituent documents.

A non-resident may receive income in the form of dividends from holding corporate rights in a Ukrainian company.

Opening a permanent establishment of a non-resident

Foreign economic operators have the right to open their representative offices in Ukraine. Such a representative office must be registered with the Ministry of Economy of Ukraine in accordance with the procedure established by the Instruction on the Procedure for Registration of Representative Offices of Foreign Economic Entities in Ukraine, approved by the Order No. 30 of the Ministry of Economic Development and Trade of Ukraine dated January 18, 1996.

In addition, a representative office must be registered with the tax authorities as a corporate income tax payer. The procedure for registration is set out in Section V of the Procedure for Registration of Tax and Duty Payers, approved by the Order of the Ministry of Finance of Ukraine No. 1588 dated 09.12.2011. A permanent establishment allows using the labour of foreign nationals in its activities without obtaining the work permits required for foreigners. For this purpose, a foreigner's stay in Ukraine must be confirmed by a temporary residence permit (Article 4(8) of the Law of Ukraine "On the Legal Status of Foreigners and Stateless Persons").

In September 2024, the Law of Ukraine No. 3257-IX "On Amendments to Certain Legislative Acts of Ukraine Regarding the Regulation of Activities of Separate Subdivisions of a Legal Entity Established in Accordance with the Law of a Foreign State" came into force. According to the amendments:

- foreign legal entities can open branches (performing all or part of its functions) and representative offices (representing and protecting the interests of legal entities) in Ukraine
- the Unified State Register will contain the same information about separate subdivisions as about legal entities
- the submission of the ownership structure and information on the ultimate beneficial owner (UBO) is required
- the termination and liquidation of representative offices and branches, accounting and reporting are now regulated in detail by law and are similar to the relevant procedures for legal entities. The responsibilities of the liquidation commission (liquidator) and the need to submit documents to archival institutions for the successful completion of the process are described.

Registration of legal entities in Ukraine

Legal entities are registered in accordance with the Law of Ukraine "On State Registration of Legal Entities, Individual Entrepreneurs and Public Organisations".

Limited liability companies and additional liability companies

Limited liability company (LLC) is the most common form of business entity in Ukraine. In general, non-residents go through the same procedure as Ukrainian citizens when registering LLC/LCL, except for obtaining a work permit (if, for example, a foreign citizen will be the head of LLC/LCL), obtaining a residence permit, etc. Both foreign legal entities and foreign citizens can be founders of LLC. In addition, these persons do not necessarily have to be located or reside in Ukraine. To confirm the information about non-resident legal entities as shareholders, the state registrar is provided with an extract from the commercial, banking or other register of the country of registration of such entities, which, if necessary, is legalised or apostilled.

The list of documents and information required by a non-resident when registering LLC/ALC:

- application for state registration of a legal entity
- the decision (protocol) on the establishment of the company is signed by the founder (founders)
- constituent document (regulations, charter, etc.). It must be notarised
- ownership structure, the size of the authorised capital, indicating the exact share of each company member
- a document confirming the registration of a foreign person in the country of its location (extract from a trade, banking, court register, etc.)
- a notarised copy of the power of attorney from the founder(-s), if the document is submitted by an authorised person
- name of the legal entity (in full and abbreviated forms)
- the address of the company's location
- selected KVED according to the type of planned activity.

Registration of LLC in the state register can be completed within 24 hours. Receiving all registration documents, opening a bank account and registering an LLC at customs can take up to several business days.

The presence of the founders during the signing of the charter and minutes, as well as during the registration procedure itself, is not mandatory. An authorised person may sign the statutory documents, register the company, and obtain all necessary documents on the basis of a notarised (legalised/apostilled) power of attorney.

Joint Stock Company

According to the Law of Ukraine "On Joint Stock Companies", non-residents may register a public (PJSC) or private (PrJSC) joint stock company or acquire a part of the shares of an existing one. The list of documents and information required by a non-resident, when registering a JSC, includes:

- a notarised certificate of registration of a legal entity
- minutes of the constituent meeting of a legal entity on the decision to establish a JSC
- confirmation of the powers of the person that will represent the company as a founder (decision to appoint a person by a director, the order, the power of attorney)
- documents authorising another person to act on behalf of the legal entity
- the size of the authorised capital and the distribution of shares among the founders
- name of a legal entity (in full and abbreviated forms)
- the address of a company's location
- selected KVED according to the type of planned activity.

The main differences in the registration and operation of LLC and JSC are as follows:

- Minimum authorized capital requirements: under Ukrainian law, the minimum authorized capital for a JSC is set at 1 250 minimum wages (UAH 10 000 000 as of September 2024, ≈ EUR 217,300). For LLC, the minimum capital is not set, and the shareholders determine it independently. Thus, a foreigner or a foreign legal entity can own 100% of the company's authorized capital.
- Disposal of capital: shares in the authorized capital of LLC do not have the status of securities, so their disposal is subject to a simplified procedure.
- LLC, ALC and JSC can be registered offline through state registrars at ZNAP or notaries.

Registration of FOP

FOP (sole proprietorship) is a popular legal form for small businesses, including if you plan to provide services or sell goods to end users — individuals. Information about FOP is entered into the Unified State Register, is public and can be checked at any stage of the sole proprietorship's activities.

One of the advantages of registering as a private entrepreneur is the ability to choose a simplified taxation system, which really facilitates the submission of financial statements to regulatory authorities and allows individuals to apply reduced flat-rate income tax. However, this type of business is not suitable for all market participants, as it imposes certain restrictions on the amount of allowed annual turnover, the number of employees and allowed activities.

However, it is worth remembering that private entrepreneurs in Ukraine are liable for business-related obligations with all their property.

Documents required to register FOP by a non-resident:

- availability of a taxpayer registration number
- a notarised translation of the passport. If a copy of the passport document is certified by a notary in the country of the foreigner's citizenship, the relevant document may be subject to legalisation (apostillation) for its recognition in Ukraine.
- FOP-non-resident cannot register online, so it is necessary to contact the state registrar.

Registration of a public association

The activities of public associations are carried out under the Law of Ukraine "On Public Associations"). Public associations may have the status of a legal entity and may not have the status of a legal entity.

Non-governmental organisations of other states and international non-governmental organisations operate in Ukraine, including through branches and representative offices established in Ukraine.

Public associations may cooperate with foreign non-governmental organisations and international governmental organisations in compliance with the laws of Ukraine and international treaties of Ukraine, ratified by the Verkhovna Rada of Ukraine.

Ukrainian E-Residency for Foreign Nationals

The advantage of e-residency is that it is easy and available online for individuals (mostly IT professionals and consultants), who want to pay taxes at a comparatively low rate enjoyed by ordinary residents of Ukraine, but without being in Ukraine.

Requirements for E-Residency

To qualify as an e-resident, a foreigner must meet the following criteria:

- Age: The individual must be at least 18 years old.
- Tax Residency: The person should not be a tax resident of Ukraine.
- Qualified Electronic Trust Services: The applicant must have obtained appropriate qualified electronic trust services.
- Registration: The individual needs to be registered in the E-Resident information system.

Application Process

A potential e-resident must:

- Fill out an application through a mobile application «Dia» or on the uRecidency portal.
- Visit the Ukrainian consulate for identification (subsequently, the identification procedure will also be digitalized and available online)
- Then he/she opens a bank account remotely, and it is the bank that will be the tax agent for the resident.

If person is approved, he/she becomes an e-resident - an electronic single tax payer for group 3 without VAT and receives an electronic digital signature.

Taxation and Banking

E-residents are subject to a tax rate of 5% on their income, including VAT, up to a certain limit. The limit is calculated based on the equivalent of 1,167 minimum wages established by law as of January 1 of the tax year, which currently amounts to UAH 9,336,000 (≈ USD 223 783). Any income exceeding this limit is taxed at a rate of 15%. It is important to note that the resident's bank serves as the tax agent.

Communication and Limitations

Correspondence between the tax authorities and the e-resident is carried out exclusively by means of electronic communication in a digital format.

The following persons may not be e-residents:

- citizens of Ukraine
- foreigners who have the right to permanent residence in Ukraine or are tax residents of Ukraine
- stateless persons
- persons receiving income originating in Ukraine for goods, works, services (except for passive income);
- persons who are citizens (subjects), residents or persons whose place of permanent residence (stay, registration) is in states (jurisdictions) not included in the List of states whose citizens or residents may obtain the status of an electronic resident (e-resident).

Additional Regulations for E-Residents

E-residents are only permitted to receive passive income originating in Ukraine, such as interest, dividends, and royalties also restricted to providing services, producing, and selling goods exclusively to non-residents of Ukraine. Furthermore, e-residents are prohibited from employing Ukrainian citizens or residents.

Residency program is currently available for citizens of India, Pakistan, Thailand and Slovenia

Entry regime to Ukraine for foreign citizens

The visa requirements in Ukraine vary based on the nationality of the foreigner. Ukraine maintains a visa-free regime with specific countries, whereas citizens of other nations are required to apply for a visa prior to their trips.

You can check whether you need a visa to enter Ukraine on the website of the Ministry of Foreign Affairs of Ukraine. Individuals from visa-exempt countries are entitled to a stay in Ukraine for a maximum of 90 days within any 180-day period.

In the absence of a visa-free arrangement, individuals from other countries must possess the necessary set of documents for entry, which includes a passport, evidence of the trip's purpose, financial means, and a visa.

Employment

According to the labour law of Ukraine, the possible ways of employment are as follows:

- an employment agreement or employment contract
- a civil contract on performing certain services
- employment contract with non-fixed working hours
- gig contract for Diya City residents

Typically, the standard duration of a workweek is limited to 40 hours, usually spread across five days. However, an employer has the option to implement a six-day workweek, with the condition that employees are not allowed to exceed seven hours of work per day.

An employment agreement or employment contract

Ukrainian labor law allows various types of agreements between employees and employers. A special contract, which offers greater flexibility than a standard employment agreement, can be used with specific employees, like company directors or foreign workers. This contract can define the term, rights, obligations, financial liability, material support, work organization, and termination conditions. During the COVID-19 pandemic and under martial law, Ukraine introduced more flexible regulations for remote and home-based work, which remain in effect.

Civil law contracts

Besides employment agreements, companies can hire contractors through civil law contracts. Contractors provide specific services or complete tasks using their own or client-provided resources. Often, private entrepreneurs with simplified taxation are involved. However, this method is regulatory grey area and poses risks of potential sham employment situations.

Employment contract with non-fixed working hours

An employment agreement featuring variable working hours is a unique contract wherein no specific timeframe is predetermined for work completion. The employee's obligation to work arises only when the employer offers tasks outlined in the contract, without a guarantee of continuous work provision. However, terms of compensation are ensured to be met in accordance with the agreement.

Gig-contract

A Gig-contract refers to a unique type of civil law agreement that can be entered into between a gig-specialist, predominantly individuals in the IT field, and a company holding the Diia City resident status. Diia City represents a distinctive tax and employment framework for IT enterprises, applicable upon their registration as Diia City residents.

Work Permits for foreign employees

To legally employ a foreigner in Ukraine, the employer must obtain a work permit from the Employment Center, which remains valid for six months to three years and is indefinitely renewable upon expiration. The employer may be either a legal entity or an individual entrepreneur.

Additionally, ensuring the prompt distribution of salary and handling other financial transactions for a foreign employee, which includes covering their taxes and fees, usually requires obtaining a Ukrainian tax number issued by the tax authorities of Ukraine.

Hiring a foreigner without a valid work permit is against the law and carries legal consequences. Nevertheless, certain exceptions exist. Specifically, a work permit is not mandatory for the employment of:

- foreigners holding permanent residency status in Ukraine;
- employees of foreign representative offices duly registered in Ukraine according to the legally prescribed procedure;
- foreigners who have come to Ukraine to contribute to the execution of international technical assistance projects;
- other foreigners in cases stipulated by the laws and international treaties of Ukraine, ratified by the Verkhovna Rada of Ukraine (including Polish citizens);
- etc.

In response to the assistance extended by Poland to Ukraine and the Ukrainian people amid Russia's invasion, Ukraine has streamlined the regulations for the employment and temporary residence of Polish citizens. For instance, a work permit is no longer a requirement.

Foreigner's Guide on Business Travel to Ukraine

Prepared by BDO in Ukraine, "Foreigner's Guide on Business Travel to Ukraine" as a comprehensive resource for international visitors navigating Ukraine during challenging times.

Designed to address the unique conditions of travel in a country impacted by war, it aims to ensure a safe, informed, and confident journey for volunteers, businesspeople, public figures, and others who contribute to Ukraine's restoration efforts. The guide provides critical information to help travelers stay prepared and protected while exploring Ukraine's vibrant culture, cities, and opportunities for collaboration.

Despite the risks, Ukraine continues to welcome visitors, showcasing remarkable resilience and determination. With practical advice on transportation, accommodation, and safety, this guide equips travelers with the tools to make informed decisions and confidently navigate the country.

Key highlights:

▶ Transportation Options:

- Practical guidance for safe travel to and within Ukraine by train, bus or car.
- Details on crossing borders and navigating checkpoints.
- Information to Ukrainian cities from airports in neighboring countries.

▶ Accommodation Tips:

- Recommended hotels in Kyiv, Lviv, and Dnipro, featuring access to shelters and reliable power supplies.
- Advice on choosing safe and comfortable lodging.

▶ Insurance Essentials:

- Overview of mandatory medical insurance requirements and war-risk coverage.
- Suggested providers and coverage options.

▶ City Navigation:

- Overview of public transportation, taxis, and apps for urban transit.
- Guidelines for maintaining safety during air raid alerts.

▶ Emergency Preparedness:

- Critical emergency contact numbers and steps for managing urgent situations.
- Maps and apps for locating shelters and "Points of Invincibility".

▶ Useful Resources:

- Information about mobile network services in Ukraine to ensure seamless connectivity wherever you go.
- Apps and platforms for ticket booking, air raid alerts, navigatingpublic transport, and other vital information.

This guide reflects BDO in Ukraine's dedication to fostering international collaboration and promoting secure, purposeful travel. Stay informed, plan wisely, and make the most of your journey while contributing to Ukraine's resilience and recovery.

For the latest updates, consult official sources or your embassy.

Employment of Foreigners in Ukraine

Foreigners may be officially employed in Ukraine subject to the national legislation.

In accordance with the Law of Ukraine "On Employment of the Population" (the "Law"), employers are entitled to employ foreign nationals and stateless persons in Ukraine on the basis of a permit issued by an employment center.

It is permissible to employ foreigners and stateless persons in a variety of roles with one or more (two or more) employers, provided that the requisite permit has been obtained for each position.

Foreign professionals may be employed in part-time positions without a work permit if the term of the employment contract for the part-time position does not exceed the term of the work permit for the main place of employment.

A foreign employee may assume the duties of a temporarily absent employee in addition to those outlined in their permit, provided that the combined workload does not exceed 60 calendar days in a single year.

No permit is required for employment of:

- Foreigners who are permanent residents of Ukraine.
- Foreigners who have been granted refugee status in accordance with Ukrainian legislation or have obtained a permit to immigrate to Ukraine.
- Foreigners recognized as persons in need of additional protection or granted temporary protection in Ukraine.
- Representatives of foreign marine (river) fleet and airlines that serve such companies in Ukraine.
- Employees of foreign mass media accredited to work in Ukraine.
- Athletes who have acquired professional status, artists, and art workers to work in Ukraine in their specialty.
- Employees of emergency services to perform urgent work.
- Employees of foreign representative offices registered in Ukraine as established by law.
- Clergymen being foreign nationals temporarily residing in Ukraine at the invitation of religious organizations to perform canonical activities exclusively within the confines of such organizations, with the official approval of the body that registered the charter (regulations) of the relevant religious organization.
- Foreign nationals who have arrived in Ukraine to participate in the implementation of international technical assistance projects.
- Foreign nationals who have arrived in Ukraine to conduct teaching and/or research activities in professional higher education institutions at their invitation.
- Other foreigners in cases stipulated by the laws and international treaties of Ukraine, ratified by the Verkhovna Rada of Ukraine.

A document confirming the right of a foreigner or stateless person to permanent residence in Ukraine is a permanent residence permit. A document confirming the granting of refugee status is a refugee certificate.

Furthermore, the employer is required to obtain a permit for the following categories of individuals, unless otherwise provided for in international treaties of Ukraine that have been ratified by the Verkhovna Rada of Ukraine:

- Seconded foreign employees;
- Internal corporate assignees;
- Foreigners and stateless persons in respect of whom a decision has been made to process documents to resolve the issue of recognition as a refugee or a person requiring complementary protection.

The following categories of foreign nationals and stateless persons are eligible to apply for employment in Ukraine:

- Foreign highly paid professionals;
- Founders and/or participants and/or beneficiaries (controllers) of a legal entity established in Ukraine;
- Graduates of universities included in the top hundred in the world university rankings, according to the list determined by the Cabinet of Ministers of Ukraine;
- Foreign creative workers;
- Foreign IT professionals.

In order to obtain the permit, the employer is required to file with the employment center at the location of an entity or institution the **list of documents** specified in Article 42 of the Law.

The permit is issued for a period of validity of:

- A foreign economic agreement (contract) between a Ukrainian and a foreign business entity, for a period of no more than three years, for seconded foreign employees.
- A foreign business entity's decision to transfer a foreigner or stateless person to work in Ukraine, along with an employment agreement (contract) concluded by a Ukrainian business entity with a foreigner or stateless person, but not for more than three years for intra-corporate assignees.
- A certificate of application for protection in Ukraine or a standardized certificate of application for statelessness, but not for more than one year, is required for individuals for whom a decision has been made to process documents to resolve the issue of recognition as a refugee or a person in need of complementary protection; individuals who appeal a decision to refuse to process documents to resolve the issue of recognition as a refugee or a person in need of complementary protection; individuals who have applied for statelessness or appeal against a decision to refuse to be recognized as a stateless person. The validity of the permit may be extended in case of prolongation of such a certificate.
- An employment agreement (contract) for a period of no more than one year may be concluded with foreigners and stateless persons who have arrived in Ukraine to pursue higher education and intend to engage in gainful employment in Ukraine during their studies and after graduation, provided that they are employed no later than 30 calendar days before the completion of their studies.
- An employment agreement (contract) or a gig contract, but not for more than two years — for all other foreign employees and gig workers.

During martial law, residents of Diia City may receive work (services) performed (provided) by gig-specialists from among foreigners and stateless persons under gig-contracts without obtaining a permit.

In the event that an employer employs foreign nationals without the requisite work permit, the State Employment Service shall impose a fine on the employer for each such individual in the amount of twenty times the minimum wage established by law (i.e., UAH 160,000 in 2024).

Upon the expiration of a work permit for a foreign national, the employer is required to return the permit to the designated employment center.

Please refer to the Diia portal for detailed information on the algorithm, required documents, terms, and cost of obtaining a work permit for foreigners and stateless persons. The cost for a period of 6-12 months is UAH 15,140 in 2024.

Compensation for employers for hiring the unemployed persons and creating new workplaces

In 2023 the Ukrainian government has adopted significant regulations in employment that provide for compensation for employers for hiring the unemployed persons and creating new workplaces:

- Resolution of the Cabinet of Ministers of Ukraine No. 124 dated 10.02.2023, which approved the Procedure for Providing Employers with Compensation for Employment of Registered Unemployed Persons.
- Resolution of the Cabinet of Ministers of Ukraine No. 338 dated 18.04.2023 "Some Issues of Providing Compensation to Employers of the Single Contribution to the Compulsory State Social Insurance for Employment in New workplaces", which approved two procedures:
  - The Procedure for Compensation to Employers of a Part of Actual Expenses Related to Payment of the Unified Social Tax for Employment to New Jobs;
  - The Procedure for Compensation to Small Businesses for Actual Expenses in the Amount of a Single Contribution to Compulsory State Social Insurance for Employment of Registered Unemployed Persons for New Jobs .

Together with the Law of Ukraine "On Employment", these resolutions provide for such types of compensations:

1. Compensation of the single social contribution

- In the amount of a single social contribution (not more than double the minimum insurance contribution) for employment for at least two years of persons who:
  - have additional guarantees in facilitating employment and have been in the status of registered unemployed for more than one month;
  - have been in the status of registered unemployed for more than six months.
- Small business entities in the amount of a single contribution for the employment of registered unemployed persons for new jobs for at least two years.

The total duration of compensation is **12 months**.

2. Compensation of 50% of actual labor costs

3. Compensation of 50 percent of the actual labor costs incurred by the employer (but not exceeding the minimum wage) for the employment of persons who have been registered as unemployed for more than one month:
   - persons with disabilities
   - participants of military operations,
   - who are no more than five years away from the age of eligibility for retirement pension.

The total duration of compensation is **6 months**.

3. Compensation of 50% of the single contribution

If employees are hired for new jobs with a salary of at least three minimum wages over the next **12 calendar months**, the employer is reimbursed for actual expenses in the amount of 50 percent of the amount of the accrued unified social contribution.

4. Compensation of 50 percent of the minimum wage

Compensation of 50 percent of the minimum wage for the employment of unemployed youth.

The total duration of compensation is no more than **6 months**.

5. Compensation for Labor Costs for Employment of Internally Displaced Persons

According to this Procedure for Providing Employers with Compensation for Labor Costs for Employment of Internally Displaced Persons as a Result of Hostilities during Martial Law in Ukraine (Resolution of the Cabinet of Ministers of Ukraine No. 331 dated March 20, 2022), expenses are reimbursed in the amount of the minimum monthly salary UAH 8,000/month (≈ USD 191) for each employed person for whom the employer pays a single contribution for the period of martial law and within 30 calendar days after its cancellation or termination.
The total duration of expense reimbursement cannot exceed three months, and for persons with disabilities among internally displaced persons, it cannot exceed six months from the date of employment. The employer can apply between 5 days and 6 months after the employment date.

Guide: Rebuilding Ukraine with the Private Sector

The Guide: Rebuilding Ukraine with the Private Sector was created by UkraineInvest, the investment promotion office of the Government of Ukraine.

The Investor Guide includes relevant information on Ukraine's investment profile, financial support, business opportunities, and analytical information on different sectors of the economy and regions of Ukraine.

The guide describes the main advantages of investing in Ukraine:

- Rebuilding related investment opportunities
- Access to regional consumer markets
- Geographical position
- Skilled and competitive labor force
- Considerable raw material base
- Digitalisation
- Ukraine as a global leader
- Investment incentives
- Investments insurance

The document presents specific investment projects that require capital investment.

Industrial Parks

The Law of Ukraine "On Industrial Parks" (Law) defines the legal and organizational grounds for establishing and operating the industrial parks within the territory of Ukraine to ensure economic development and increase the competitiveness of regions, activate investment activities, create new jobs, develop modern industrial and market infrastructure.

Legislation on Industrial Parks:

The Constitution of Ukraine, the Civil Code of Ukraine, The Economic Code of Ukraine, The Land Code of Ukraine, the Tax Code of Ukraine, the Customs Code of Ukraine, this Law, the Law of Ukraine "On Regulation of City Planning Activity," other legislative acts of Ukraine, as well as international treaties of Ukraine ratified by the Verkhovna Rada of Ukraine.

State support for industrial parks

The Law of Ukraine's "On Industrial Parks" and respective changes to the Tax Code and the Customs Code provide state incentives for investment parks. The following incentives are available for initiators of the creation of industrial parks, their management companies, and participants:

- exemption from income tax for ten years, subject to reinvestment in the development of the investment project;
- exemption from VAT on the import of new equipment for own use;
- the possibility of granting benefits for real estate taxation on the territory of industrial parks by decision of the local authority;
- exemption from import duty taxation of new equipment imported by participants of industrial parks for their use;
- non-refundable financing to arrange an industrial park and/or construction of related infrastructure facilities (highways, communication lines, heat, gas, water and electricity, utilities, etc.);
- compensation for connecting to engineering grids (incl. compensation for connecting to the electric grid, national railway system, gas-, heat- and water supply networks).

Initiators of industrial parks	
Land of state or communal property	**Private property lands**
State authorities, local self-government bodies, which are empowered to dispose of land plots, as well as tenants	Owners or tenants (legal entities or individuals)

Terms of use

The land plot to be used for the creation and operation of the industrial park may be located within or outside settlements and must meet the following requirements:

- belong to industry lands;
- be suitable for industrial use, taking into account the conditions and restrictions established by the relevant urban-planning documentation
- have an area of 10 to 1000 ha.

The use of land plots on lands of state or municipal property is carried out in compliance with the following conditions:

- the period of use of a land plot within the scope of an industrial park must be liable at least 30 years from the date of deciding to create an industrial park;
- the use of land plots must respond to sanitary, epidemiological, and environmental requirements.

Facilities that may be located in the industrial park include:

- offices of the management company, participants and other entities of the industrial park, financial institutions, objects of marketing and advertising;
- preschool education institutions, general secondary education institutions, institutions of higher, professional higher, and professional (vocational and technical) education;
- science parks, accelerators, and laboratories for the development of innovative technologies;
- multi-purpose halls for scientific conferences and other events;
- fire brigades;
- green areas;
- industrial, warehouse buildings and structures, logistics infrastructure facilities;
- engineering buildings and structures;
- waste management facilities (except waste disposal);
- other objects not prohibited by Law.

Sources of provision of finance for the development of an industrial park

The sources of provision of finance for the development of an industrial park may be funds from the state and local budgets allocated following the procedure and amounts provided for by Law, funds from private investors, including funds attracted under the model of state-private partnership, attracted funds, including loans from banks and other financial and credit institutions, funds from other sources not prohibited by Law.

Creation of the Industrial Park

The initiator makes the decision to create an industrial park of the creation based on the concept of an industrial park approved following the requirements of this Law.

The initiator of the creation, within **five working days** from the date of the decision to create an industrial park, is obliged to submit to the competent government authority a copy of the decision to develop an industrial park and the concept of the industrial park.

The decision to create an industrial park is the reason for the agreement concluding on the creation and operation of an industrial park between the initiator and the management company of an industrial park.

List of documents for inclusion of an IP in the Register of Industrial Parks

To decide on the inclusion of the industrial park in the Register of Industrial Parks, the initiator of the creation shall submit the following documents to the authorized state body:

1. The application for inclusion of the industrial park into the Register of Industrial Parks;
2. The decision of the initiator on the creation of the industrial park;
3. The concept of the industrial park;
4. An extract from the State Land Cadastre regarding the land plot and title documents for the real estate objects located thereon;
5. Name of the management company and participants (if any).

The industrial park is included in the Register of Industrial Parks **within 45 business days** from the date of receipt of the application from the initiator of the industrial park by the authorized state body.

The authorized state body, following the procedure approved by the Cabinet of Ministers of Ukraine, shall review the documents **within 21 business days** from the date of receipt of the papers from the initiator of the establishment.

This publication was prepared by BDO in Ukraine experts

Vira Savchenko,
CEO

vsavchenko@bdo.ua

Andrii Borenkov,
Head of Advisory

aborenkov@bdo.ua

Viktor Nevmerzhitsky,
Head of Tax Consulting Department
vnevmerzhitsky@bdo.ua

Olga Korniichenko,
Business Development Executive
okorniichenko@bdo.ua

With contribution from:

Iryna Pavliuk,
Senior Legal Counsel

Tetiana Demchenko,
Project Manager

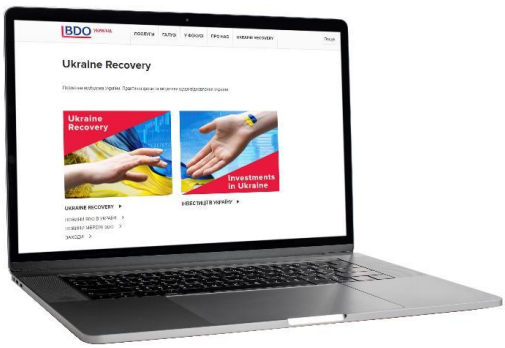
Mykhailo Atamanov,
Consolidated Information Analyst

Andrii Khalaim,
Senior Legal Counsel

Viktoriia Kulish,
Project Manager

Svitlana Holovko,
Computer Graphics Specialist

Get updates on topic in real time



1. **On website www.bdo.ua in the section**
   Post-war recovery of Ukraine - BDO

2. **On BDO in Ukraine's official LinkedIn page. Please follow ⮯**
   LinkedIn - BDO in Ukraine

Discover Ukraine with the official platform Ukrainian Institute (Insight UA)

CONTACTS

KYIV
201-203, Kharkivske Road,
10th floor
+380 44 393 26 87, 88
+380 44 393 26 91

DNIPRO
4, Andriia Fabra Street,
6th floor
+380 56 370 30 43
+380 56 370 30 45

Lviv
120, Shevchenko Str.
Regus-KIVSH
+38 032 242 44 00

info@bdo.ua
www.bdo.ua

Please note that this information is in effect as of the date of this document (10/04/2025).

This analytical note contains general information taken from public sources and does not constitute professional advice or service. Prior to making any decision or taking any action that may affect your finances or business, a qualified professional advisor should be consulted.
Please, contact BDO in Ukraine for advice.

BDO LLC, a Ukrainian limited liability company, is a member of BDO International Limited, a British limited liability company with its members, and is part of the international network of independent BDO member firms.

BDO is a brand of the BDO network and each BDO member firm. BDO is formed from the first letters of the names of the company's founders: Binder, Dijker and Otte.
2025 © BDO LLC. All rights reserved.