



UKRAINE

Ukraine - Civil Law

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Incorporating a company in Ukraine

Ukraine taxes

If you are thinking to incorporate in Ukraine, this article will educate you on the tax laws for a LLC which is the most common legal entity in Ukraine.

Ukraine taxes resident companies on their worldwide income. The usual rate for offshore income, from our research, but seek professional advice, is 18%. Ukraine may not have exemptions to bring in income earned abroad. Taxes are lower than average in Ukraine as the highest corporate income tax rate is 18%. This ranks Ukraine as 62th overall in terms of corp. taxation rate internationally.

The value added tax (VAT) rate is 20.00%, which ranks Ukraine as 134th overall with regards to VAT globally. In terms of other taxation, an employer will contribute 22% to the equivalent of a social security fund, and employee will not have to contribute. The overall complexity of the tax system is medium. This is measured by average time to comply with a country's labor tax requirements is as it is 100hours. Contributing to this is the number of yearly labor tax payments, which is 1 in UA.

Thin capitalization laws aren't in effect. This refers to any sort of laws on a business and the debt-to-asset ratios. Dividends received by a resident company from another resident company are not included in taxable income. Dividends received from a foreign entity are subject to Corporate Income Tax. A dividend is payments of a company profit, passed by the board, to a particular class of shareholders. Dividends can be either stock, cash, or property. Capital Gains are subject to Corporate Income Tax. A capital gains tax is levied on the profits that a corporation or natural person realizes when they sell a capital asset for a price that is higher than the purchase price.

The interest withholding tax rate is estimated at 15%. This should be interpreted usually that the relevant tax authorities expects relevant legal entities to automatically withhold 15% of interest payments to non-residents, unless certain interest such as from loans to residents or interests in Eurobonds, which are taxed at a reduced rate of 5%. The dividends withholding tax rate is 15%. This means that the taxman expects to automatically withhold 15% of offshore payments on dividends. The royalties withholding tax rate is 15%. Which means that the tax authorities expects legal entities to pay tax on 15% of royalty payments to non residents. Withholding tax rates may be reduced under a tax treaty.

There is a tax on net wealth in Ukraine. There are inheritance and real property taxes in Ukraine. There are no frequently implemented credits for innovation spend that include tax incentives in this country.

The above is not tax or legal advice for your specific situation. We are able to refer you to an accountant in Ukraine who can answer all your questions. Ready to get started? Click the free consultation button above.

The vat rate in Ukraine is 20% which ranks 134 in the world.

- Patent box
- RND credit
- Wealth tax
- Estate tax
- Transfer taxes
- Asset taxes
- Capital duties

- 73** Tax treaties
- 18%** Offshore Tax
- 18%** Corp rate
- Loss carryback years
- 100** Corporate time
- 20%** VAT rate
- 18%** Capital gains
- No** AEOI planned

Ukraine Legalese

When incorporating, you must look at the law in the country, in Ukraine is civil law. You will want to get some local advice as to how to best structure a company in Ukraine. Electronic signatures are permitted.

The abbreviation UA is for Ukraine and the most common company type in Ukraine is a LLC.

The average time to incorporate is 4 weeks to put together the paperwork and file a LLC in UA. The min share capitalization is 0, This means you don't have any minimum share capital. The types of cash you can use to capitalize your business is frequently UAH and any legal currency.

Yes, one is allowed to re-domicile a LLC from UA. You are usually allowed to change the jurisdiction of the company, pending certain procedures.

There must be at least 1 shareholder. This makes it possible for you to own a LLC in UA by yourself. Corporate Shareholders are encouraged, which means you can have a corporate shareholder. Foreign ownership is allowed, up to 10% of the ownership of the legal entity.

A legal entity is only required to have 1 director on the board. Speaking of shareholders, corporate directors are permitted. Directors should not have an expectation of privacy, as they are not kept private in Ukraine. There is a requirement to have annual meetings of shareholders.

A registered office is a requirement, whom the company will pay yearly, for an office which can receive any lawsuit papers on behalf of the registered legal entity. However, a company secretary is another cost you will need to incur.

There is an obligation to file yearly tax returns. On that note, there is oftentimes a requirement to have these accounts audited.

Overall we think Ukraine is a ok option and have given it a score of 46 as an IO score, using the Incorporations.IO proprietary formula.

- ✗ **Directors not disclosed in a public registry**
- ✓ **Shareholders not disclosed in a public registry**
- ✓ **Redomiciliation permitted**
- ✓ **Registered office required**
- ✓ **Corporate director permitted**
- ✓ **Local Secretary not required**
- ✗ **Local Director not required**
- ✓ **Electronic signature**

- 1 Shareholders required**
- 1 Directors required**
- 4 weeks to form**



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Country Info



🚩 National Flag of

Украина (rus)

Україна (ukr)

💰 Currency

UAH

☎ Area Code

+380

🏙 Capital

Kyiv

📍 Region

Eastern Europe

🗣 Native Languages

Russian

Ukrainian