

## **Review of the Laws adopted by the Ukrainian Parliament to combat the Coronavirus Disease (COVID-19)**

On March 17, 2020, the Verkhovna Rada of Ukraine adopted the Law of Ukraine "On Amending Certain Laws of Ukraine aimed at preventing the onset and spread of the coronavirus disease (COVID-19)" and the Law of Ukraine "On Amending the Tax Code of Ukraine and other laws of Ukraine on taxpayer support for the implementation of measures aimed at preventing the onset and spread of coronavirus diseases (COVID-19)." We offer you an analysis of these novelties.

### **The quarantine established by the Cabinet of Ministers of Ukraine is a force majeure**

Amendments to the Law on Ukraine "On Chambers of Commerce and Industry in Ukraine" according to which quarantine established by the Cabinet of Ministers of Ukraine is a force majeure.

### **Vacations granted to an employee at his/her request for the period of the quarantine does not affect the employee's ability to receive unpaid vacation for 15 days**

If the Cabinet of Ministers of Ukraine establishes a quarantine, the period of unpaid vacation for this time shall not be taken into account when an employee wants to get a 15-day-long unpaid vacation.

### **Employees allowed to work from home**

For the period of the quarantine or restrictive measures related to the spread of the coronavirus disease (COVID-19) the employer can instruct an employee to work from home.

### **Owners of businesses can change the operation mode if it is connected with the reception of people**

Private business is given the right to change operating modes, in particular, the reception and servicing of individuals and legal entities. Information on such changes should be indicated on websites.

### **Temporary termination of scheduled inspections**

The law prohibits conducting any scheduled inspections by state inspections (control).

### **Temporary exemption of medical preparations and medical products from VAT and import duties, simplification of customs procedures**

Temporarily exempt from payment of VAT and import duty operations on the import into Ukraine of medical supplies and medical equipment, the list of which is determined by the Cabinet of Ministers of Ukraine. Customs clearance procedure has been simplified for these products.

**During March 18 - May 31, 2020, a moratorium on documentary and factual inspections was introduced, the limitation periods defined by Tax Code stops**

Scheduled inspections that have not begun are postponed, and those that were started before March 18, 2020 and were not completed are temporarily stopped (the verification period is interrupted) until May 31, 2020.

For the period from March 18 to May 31, 2020, the limitation periods defined by the TCU stops, in particular, the deadlines for determining the amount of tax liabilities by the Tax Service.

**The deadline for submitting a declaration on the property and income of an individual has been extended until July 1, 2020.**

An individual is obliged by October 1, 2020 to pay the amount of tax obligation specified in the submitted annual declaration of property status and income for 2019 .

**From March 1 to April 30, 2020 - land tax and rent for land plots of state and communal property that are used for business, non-residential property tax are not paid**

At the same time, payers (except individuals) who filed a tax declaration have the right to file a clarifying tax declaration in which to reflect changes in the tax obligation to pay land fees for the relevant months. For individual payers of land fees, recalculation is carried out by the Tax Service.

**From March 1 to May 1, 2020 – PEs that pay single tax, individuals that carry out independent professional activities, and members of farms are exempt from payment of single social contribution and submitting a declaration.**

Temporarily, penalties are not applied for the following violations committed from March 1 to April 30, 2020:

- untimely payment (untimely transfer) of a single social contribution;
- incomplete payment or untimely payment of the amount of a single social contribution
- untimely reporting to the tax authorities.

During the periods from March 1 to March 31 and from April 1 to April 30, 2020, single social contribution payers are not charged a late fee, accrued interest for these periods is subject to write-off.

**The main penalties defined by Tax Code during March 1 - May 31, 2020 are not applied, no late fees are charged**

The exception is a violation of the requirements for long-term insurance contracts, alienation of property held in tax liens, violation of the rules for fuel or ethyl alcohol metering, production and circulation of, violation of rules for payment of VAT, excise tax and rent.

**The Law on cash registers comes into force on August 1, 2020, the implementation of the requirements for the use of cash registers is postponed**

In addition, on January 1, 2021, cash registers are not applied to single-tax payers of the second to fourth groups (individual entrepreneurs) whose income during the calendar year does not exceed UAH 1,000,000, except for those who carry out certain types of activities defined by the Law.

**Foreigners will not be held to administrative liability for untimely renewal of residence permit**

Foreigners and stateless persons who could not leave Ukraine or who could not contact the territorial bodies of the State Migration Service of Ukraine with an application for the renewal of their temporary or permanent residence permit in connection with the introduction of the quarantine, will not be held to administrative liability.

**The course of the terms for request and the timing of the provision of administrative services is stopped**

From the date of the quarantine termination, the course of these periods continues taking into account the time elapsed before its termination.

**Administrative and criminal responsibility for violation of quarantine rules has been strengthened**

Violation of the quarantine rules, as well as violation of decisions of local authorities related to infectious diseases, entails the imposition of a fine on citizens in the amount of UAH 17,000-34,000, on officials - in the amount of UAH 34000-170000. In addition, for the violation of sanitary rules and norms for the prevention of infectious diseases and mass poisoning, a person may be punished with up to 3 years of imprisonment.