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## I. LEGISLATION NEWS

### **Draft Law of Ukraine No.6525**

On July 08, 2010 the Verkhovna Rada of Ukraine adopted in second reading a Draft Law of Ukraine “On Administration and Registration of a Single Social Fee” No.6525. The Draft Law envisages the introduction of the unified social fee (USF) for employers instead of fees to Pension and social insurance funds starting from January 01, 2011.

### **Draft Tax Code of Ukraine**

On July 08, 2010 the Verkhovna Rada of Ukraine adopted a Resolution on submission of Draft Tax Code for all-people’s discussion. We remind that on June 15, 2010 the Cabinet of Ministers of Ukraine submitted to the Parliament of Ukraine a Draft Tax Code No.6509. On June 17, 2010 the Draft was taken as a basis and passed in the first reading. At the present moment the Draft Tax Code is in preparation for second reading.

### **Law of Ukraine No. 2461**

On July 08, 2010 the Verkhovna Rada of Ukraine adopted the Law of Ukraine “On Amending the Law of Ukraine “On State Budget of Ukraine 2010” and the Law of Ukraine “On obligatory State Pension Insurance” No.2461-VI.

In accordance with mentioned Law, starting from July 17, 2010 private entrepreneurs – single tax payers are obliged to pay to the Pension Fund additional fees for themselves and members of their families, who take part in entrepreneurial business and who do not have an employment relationship with him (without conclusion of employment agreement).

The Law becomes effective from the date of its official publication (published in newspaper “Golos Ukrainy” on 17.07.2010 No.131).

### **Law of Ukraine No.2258**

On May 18, 2010 the Verkhovna Rada of Ukraine adopted the Law “On Amending the Law of Ukraine “On Prevention and Counteracting of Illegal Proceeds (Money Laundering)” No.2258 – VI dated 21.05.2010. The Law was signed by the President of Ukraine and enters into force on 21.08.2010.

The Law supplements the list of subjects of primary financial monitoring and establishes new indicators for financial transactions to be subjects for financial monitoring. Specifically, the amount of financial transactions, starting from which transactions are subjects to obligatory financial monitoring, has been increased from UAH 80 000,0 to UAH 150 000,0.

### **Law of Ukraine No. 2390**

The Law of Ukraine No.2390-VI dated 01.07.2010 amended the Law of Ukraine “On State Registration of Legal Entities and Individual Entrepreneurs” No.755-IV dated 15.05.2003. The Law determines a simplified procedure for state deregistration of economic agents.

The Law of Ukraine No.2390-VI dated 01.07.2010 will become effective in six months from the date of its official publication.

## II. CLARIFICATIONS

### **Work and salary**

The Temporary Disability Social Insurance Fund presented clarifications regarding calculation of fines during fees charging, in case of salary resettlement for the period before the Law on State Budget 2010 becomes effective (Letter No.02-24-1208 dated 18.06.2010).



Social Insurance Fund Against Accidents at Work clarified the issue of fee payments in case of additional settlement of salary for January-March 2010 (Letter No.664-07-2 dated 30.06.2010).

State Employment Center considers that fines on unemployment insurance payments, settled additionally and paid for January-April owing to backdated changes of minimum living wage for capable persons, shall not be charged starting from 01.01.2010 (Letter No.03 - 3574/0/6-10 dated 02.06.2010).

Pension Fund of Ukraine has assured the payers that there will be no responsibility for resettlements and additional settlements of insurance payments in connection to change of maximum value of actual employees' labour payment expenses from 01.01.2010 (Letter No.11126/03-30 dated 29.06.2010).

## **VAT**

The State Tax Administration of Ukraine, reminded about "first event rule" in determination of the date of VAT liability's origin and pointed to the fact that signing of Takeover Protocol in a month following after the month when services were actually provided, is a violation of rules for maintaining accounting (Letter No. 9895/7/16-1517-08 dated 20.05.2010).

The State Tax Administration of Ukraine informed about introduction of new grounds for cancellation of VAT payers' registration in connection to adoption of the Law No.2275 (Letter No.13215/7/29-1017 dated 05.07.2010).

The State Tax Administration of Ukraine presented the clarification regarding determination of VAT amount, which is subject to payment to the budget or budgetary compensation, taking into account provisions of the Law No.2275 (Letter No.13547/7/16-1517 dated 08.07.2010).

The State Tax Administration of Ukraine has illustrated by example the filling order for Certificate on negative values' remaining amount of the previous tax period, which are included to the tax credit of the next tax period after budgetary compensation (Letter No.14134/7/16-1117 dated 15.07.2010).

## **Personal Income Tax**

The State Tax Administration of Ukraine mentioned that in order to receive a Notification on self-determination of the foreigners' Ukrainian residential status it is necessary to apply to the tax authority at the place of residence in Ukraine, registered in accordance with the legislation (Letter No. 11318/7/17-0717 dated 10.06.2010).

## **Single Tax**

The State Tax Administration of Ukraine insists on taking into consideration of all earnings on bank account or to cash account, including earnings received within intermediary agreements, in determination of income amount for the purpose of UAH 500.000 criteria compliance (Letter No.3658/φ/17-0714 dated 14.06.2010).

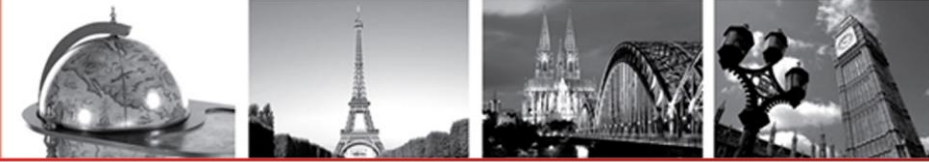
Higher Administrative Court recommended to administrative courts to take into consideration that the amount of income of a single tax payer – commission agent, received from sale of goods that were transferred to him for realization by the principal, shall be included to the income of such payer – commission agent in full size (Letter No. 889/11/13-10 dated 15.06.2010).

## **Accounting**

Order of the Ministry of Finance No.382 dated 10.06.2010 "On Approval of Amendments to Accounting Regulations (standard) 4 "Cashflow Statement" envisages substantial changes regarding submission order and and the form of statement.

Order No.382 became effective on July 16, 2010.

Order of the Ministry of Finance No. 372 dated 07.06.2010 envisages amendments to Regulations on documentary maintenance of accounting entries, adopted by the Order of the Ministry of Finance No.88 dated 24.05.95. Amendments envisage creation and maintenance of records in electronic form.



Order became effective on July 24, 2010.

### **Banking**

National Bank of Ukraine cancelled Regulations on payment cards emission order and performance of transactions with their application. In substitute a Regulation on order of emission of special means of settlement and performance of transactions with their application has been adopted.

Resolution No.223 dated 30.04.2010 excluding particular provisions, became effective on the date of its official publication (Official Bulletin of Ukraine No.52 dated 19.07.2010).

### **Other**

Decree of the State Tax Administration No.483 dated 06.07.2010 passes Summarizing tax clarification regarding application of norms of the Law of Ukraine "On fee for development of grape culture, gardening and hopgrowing" No.587-XIV dated 09.04.99. The document clarifies issues concerning levy and fee payers and the tax object, dates of tax liability incurrence, and clarifies the order of settlement and payment of fee, as well as submission of tax reporting.

The order became effective on the date of its publication.

For the purpose of insuring single organizational approaches upon formation of register of creditors' claims at all stages of bankruptcy proceedings, the Ministry of Economy of Ukraine adopted by a Decree No.788 dated 02.07.2010 Methodic recommendations on filling of register of creditors' claims.

Order became effective on July 2, 2010.

National Bank of Ukraine reminded to the management of authorised banks that starting from July 1, 2010 no pension duty can be charged on cashless exchange transactions (Letter No.13-117/3331-10567 dated 22.06.2010).

### **For your information**

Resolution of the Board of National Bank of Ukraine "On monetary market regulation" No. 320 dated 07.07.2010 envisages that starting from July 8, 2010 the accounting rate of National Bank of Ukraine is established in the amount of 8,5 % per annum.

The Committee of the Verkhovna Rada of Ukraine on Taxation and Customs Policy informed about the process of the preparation of Draft Tax Code of Ukraine for the second reading and propounded to move its consideration to the autumn session (Letter No. 04-27/383 dated 28.06.2010).

Law No.2297-VI dated 01.06.2010 adjusts relations connected to personal data protection during its processing.

Family Code of Ukraine has been amended in provisions regarding determination of maintenance amount order (Law No.2302-VI dated 01.06.2010).

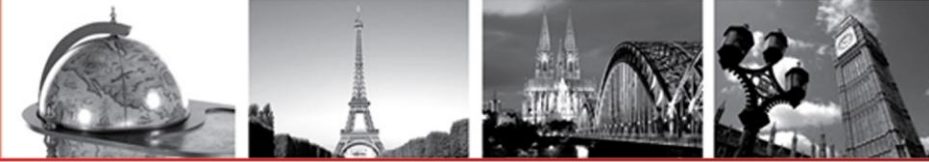
## **III. COMPANY NEWS**

### **Olena Makeieva, managing partner of Audit firm "Aksonova & Associates", made a speech to EBA members about the draft Tax Code of Ukraine.**

During a working meeting of the legal committee at the EBA office in Lviv, Olena Makeieva made a presentation of the draft Tax Code of Ukraine. In order to learn more, please visit section [news](#) of the company web-site.

### **Round table discussion "Prevention of Fraud and Financial Abuse"**

Audit firm "Aksonova & Associates" was the official partner of the round table discussion "Prevention of Fraud and Financial Abuse", which was held on July,1 2010 in the press-centre of the Information agency "LIGA BusinessInform".



In order to receive the materials of the round table discussion please visit our web-site, section [publications](#).

#### **IV. PUBLICATIONS**

##### **Interview of Olena Makeieva to legal portal Pravotoday**

In July legal portal Pravotoday published the interview of Olena Makeieva, managing partner of audit firm “Aksonova & Associates”. In mentioned publication Olena shares her success story and presents her vision of auditing market development. The interview can be found at our web-site in section [publications](#).

##### **Commentaries of Olena Makeieva regarding the Draft Tax Code of Ukraine in journal Biznes.**

A number of commentaries of Olena Makeieva regarding the Draft Tax Code of Ukraine was published in Journal Biznes in July 2010. In order to read the commentaries, please visit section [publications](#).

#### **V. EVENTS**

##### **09.09.2010 | Kyiv | Seminar-workshop "Mergers & Acquisitions (M&A): legal and tax aspects".**

In order to learn more about seminar-workshop please visit our [web-site](#)