

BENEFITS FOR MANUFACTURERS OF DISINFECTANTS IN UKRAINE

Value added tax (Legal entities and individuals, value added tax payers):

Core of a benefit or change	Peculiarity of the application	Source
<p>During the lockdown period, the scope of the VAT exemption covers:</p> <ul style="list-style-type: none"> • operations on importation into the customs territory of Ukraine of goods (including medicines, medical devices and/or medical equipment) necessary for the implementation of measures aimed at preventing the spread, localization and elimination of outbreaks, epidemics and pandemics of coronavirus disease (COVID -19), the list of which is determined by the Cabinet of Ministers; • operations on supply in the customs territory of Ukraine of goods necessary for the implementation of measures aimed at preventing the spread of coronavirus disease (COVID-19) on the territory of Ukraine, the list of which is determined by the Cabinet of Ministers. <p>The preferential VAT regime is applied at all phases of supply of goods included in the corresponding List determined by the Cabinet of Ministers, regardless of the date of their production and origin (domestic production or imported into the customs territory of Ukraine), as well as regardless of the range of entities carrying out such transactions, their status as VAT payers, or form of ownership.</p>	<p>The list of medicines, medical devices and/or medical equipment necessary for the implementation of measures aimed at preventing the spread of coronavirus disease (COVID-19) in Ukraine, which are exempt from import duties, and operations on importation into the customs territory of Ukraine are exempt from VAT taxation, as it is established by the Resolution No. 224 of the Cabinet of Ministers dated March 20, 2020.</p> <p>At the same time, the provisions of the TCU on the accrual of “compensating” VAT liabilities and the proportional attribution of amounts to the VAT credit do not apply to such transactions (Article 198.5 and Article 199 of the TCU).</p> <p>This means that a taxpayer who supplies goods subject to the exemption does not lose “input” VAT just due to the introduction of the temporary rule.</p> <p>Consequently, such a payer retains the right to recognize a tax credit for VAT amounts paid when importing goods from the List approved by Resolution No. 224, upon their purchase, or as part of goods (works, services) used in the production of these goods (for a manufacturer) .</p> <p>Such peculiarities are temporarily introduced for public associations and charitable organizations that are not currently registered as VAT payers.</p>	<p>Law No. 540. item 71 of subsection 2, section XX of the Tax Code of Ukraine (TCU)</p>

Excise tax (fuel, alcohol, etc.) (Legal entities and individuals, payers of a relevant tax):

Core of a benefit or change	Peculiarity of the application	Period of validity of the benefit
<p>The following is established:</p> <ul style="list-style-type: none"> - the rate of excise duty is 0% on ethyl alcohol used for the production of disinfectants; - exemption from the obligation to install flow meters for ethyl alcohol for the production of disinfectants. However, this applies only to state-owned enterprises that are both producers of ethyl alcohol and disinfectants (sanitizers); -ethyl alcohol can be shipped from excise warehouses to manufacturers of medicines as well as chemical and technical products for the production of disinfectants. 	<p>The procedure for the production of disinfectants has been temporarily simplified, in particular, state-owned enterprises that are producers of ethyl alcohol are granted the right to use the alcohol they produce for the production of disinfectants without registered alcohol flow meters, subject to the equipment of the places where disinfectants are dispensed with metering devices for manufactured products and participation of the supervising bodies monitoring compliance with the conditions of alcohol denaturation</p> <p>For ethyl alcohol used for the production of disinfectants, the excise duty is set at the rate of 0 UAH per 1 litre of 100 per cent alcohol.</p>	<p>Law No. 533-IX Law No. 540-IX</p>

On April 22, 2020, the Government’s Decision [No. 341 «On measures to stabilize prices for goods of significant social importance, anti-epidemic goods»](#) introduced in Ukraine state regulation of prices for groups of anti-epidemic goods, according to the list approved by the Cabinet of Ministers.