

Subject of VAT taxation
– a person who, in accordance with tax legislation, is obliged to calculate and/or pay VAT to the budget

1. Non-resident who does not have a permanent representative office and supplies electronic services to natural persons, including natural persons - entrepreneurs, not registered as VAT payers, including by providing access to electronic services through an electronic interface, providing technical, organizational, informational and other capabilities that are carried out using information technology and systems, to establish contacts and agreements between sellers and buyers and/or provides such electronic services under intermediary agreements on its own behalf, but upon authorization of the electronic service provider.

Note: If electronic services in the customs territory of Ukraine are supplied to a natural person through an intermediary, then for VAT purposes it is considered that the intermediary is a provider of such electronic services.

2. Registration of a non-resident taxpayer is carried out on the official web portal of the State Tax Service of Ukraine (www.tax.gov.ua) in electronic form through a special portal solution "Electronic office of a non-resident provider of electronic services" by electronic identification, based on:

- a) applications for registration as a taxpayer of such a non-resident;
- b) copies of an extract from the relevant business register (trade, banking or other register, which records the fact of state registration of the company, organization), issued in the country of registration of such a non-resident;
- c) a document confirming the assignment of an identification (registration, accounting) number (code) of a non-resident in the country of its registration, if the extract from the relevant business register does not contain information about such number (code).

Note:

1) A non-resident is obliged to submit the above documents for registration as a value added taxpayer, if according to the results of the previous calendar year, the total costs for the providing services in the customs territory of Ukraine exceed the amount equivalent to UAH 1 million, which is calculated at the official exchange rate of Ukraine to foreign currency, set by the National Bank of Ukraine, effective at 0 o'clock on January 1 of the respective year.

Such documents shall be submitted by March 31, inclusive, of the relevant calendar year following the year in which such non-resident reached the specified amount.

2) A non-resident may voluntarily register as a taxpayer. In this case, the relevant documents are submitted no later than 10 calendar days before the beginning of the reporting (tax) period, from which such a non-resident will be considered a taxpayer.

Within 180 calendar days from the date of registration of a non-resident as a taxpayer, such non-resident shall send to the State Tax Service of Ukraine an official letter confirming the information provided during registration as a taxpayer, including non-resident's identification (registration, business) number (code) and about the representative of the non-resident, who is electronically remotely identified.

3) The place of supply of electronic services by a non-resident in the customs territory of Ukraine in the "B2C" format is considered to be the customs territory of Ukraine. The location of the recipient of electronic services is determined:

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| | <p>a) for a natural person registered as a business entity - at the place of registration of such recipient as a business entity;</p> <p>b) for a natural person who is not registered as a business entity - at the actual location of such natural person - recipient of services.</p> <p>In order to establish the actual location of the natural person - the recipient of services, the following information is taken into account:</p> <p>a) if electronic services are provided by fixed means - the actual location of the natural person - recipient of services is the country of establishment of the fixed line (location of the telecommunications provider whose services were used by the recipient in the process of receiving electronic services);</p> <p>b) if electronic services are provided by means of mobile communication - the actual location of the natural person - recipient of services is considered to be the country identified by the mobile code of the country of the SIM-card used when receiving such services;</p> <p>c) if electronic services are provided by other means of communication, including using an access card, - the actual location of the natural person - recipient of services is the country in which such other means of communication are located or to which the access card is sent for its use (including the location of the device, which is determined by its IP address used by the recipient of the electronic service).</p> <p>Additional evidence for determining the location of a natural person - recipient of services are:</p> <ul style="list-style-type: none"> • payment address of a natural person - recipient of services; • bank details, in particular the place of maintaining a bank account used for payment for electronic services; • other commercially important information. |
| <p>Types of electronic services qualified as an object of taxation <i>– electronic services, upon delivery of which there is an obligation to calculate and/or pay VAT to the budget (does the status of the recipient matter - a legal entity or an individual)</i></p> | <p>Electronic services - provided over the Internet, automatically, using information technology and preferably without human intervention, including by installing a special application or application on smartphones, tablets, televisions or other digital devices. Such services, in particular, but not limited to, include:</p> <p>a) providing electronic copies, providing access to images, texts and information, including, but not limited, subscribing to electronic newspapers, magazines, books, providing access to and/or uploading photos, graphics, videos;</p> <p>b) providing access to databases, including the use of search systems and service catalogue on the Internet;</p> <p>c) providing electronic copies (electronic and digital information)</p> <p>a) and / or providing access to audiovisual works, video and audio works to order, games, including the provision of services for participation in such games, the provision of services for access to television programs (channels) or their packages, except for access to television programs simultaneously with their broadcasting through the television network;</p> <p>d) providing access to informational, commercial, entertainment electronic and other similar resources, in particular, but not limited to, hosted on information-sharing or video-sharing platforms;</p> <p>e) providing distance learning services on the Internet, the provision of which does not require human participation, including by providing access to virtual</p> |

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| | <p>classrooms, educational resources in which students complete online tasks and grades are set automatically, without human participation (or with minimal participation);</p> <p>f) providing cloud services in terms of providing computing resources, storage resources or electronic communications systems using cloud computing technologies;</p> <p>g) providing software and updates to it, including electronic copies, providing access to them, as well as remote maintenance of software and electronic equipment;</p> <p>h) providing advertising services on the Internet, mobile applications and other electronic resources, providing space, including by placing banner on websites, web pages or web portals.</p> <p>Note: Electronic services do not include the following operations:</p> <p>a) supply of goods/services ordered (booked) via the Internet, using mobile applications and other electronic resources, and the actual supply is made without the use of the Internet (in particular, accommodation services, car rental, catering services, passenger transport services and other similar services);</p> <p>b) supply of goods and/or other services, other than electronic services, which include electronic services, if the cost of electronic services is included in the total cost of such goods/services;</p> <p>c) provision of distance learning services on the Internet, if the Internet is used exclusively as a means of communication between teacher and student;</p> <p>d) supply of copies of works in the field of science, literature and art on tangible media;</p> <p>e) provision of consulting services by e-mail;</p> <p>f) provision of Internet access services.</p> |
| <p>Taxable base – the cost of delivery from which the VAT liability is determined</p> | <p>The tax base of transactions for the supply of electronic services by a non-resident registered as a VAT payer is derived from the cost of such services.</p> |
| <p>VAT rate – the amount of tax as percentage</p> | <p>20% VAT rate</p> |
| <p>Tax period – the period of time after which the tax base is determined and the amount of tax payable is calculated</p> | <p>Basic reporting (tax) period for a non-resident registered as a VAT payer is a quarter</p> |
| <p>How to submit a VAT Return – procedure and deadlines for submitting a VAT tax report (VAT Return)</p> | <p>A non-resident registered as a VAT payer is obliged to draw up and submit a simplified VAT tax return in electronic form through a special portal solution "Electronic office of a non-resident electronic service provider" by electronic identification, within 40 calendar days following the last calendar day of the reporting (tax) period, regardless of whether the non-resident provided electronic services to natural persons during the reporting (tax) period.</p> <p>The simplified tax return is submitted by a non-resident registered as a VAT</p> |

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| | <p>payer or by a representative of a non-resident who is electronically remotely identified, according to the form approved by the order of the Ministry of Finance of Ukraine.</p> <p>Note: all indicators in the simplified VAT tax returns are affixed in the foreign currency (euro or US dollar) selected by the non-resident at the time of registration as a taxpayer.</p> |
| <p>VAT payment – <i>procedure and deadlines for VAT payment to the budget</i></p> | <p>The amount of tax liability indicated by a non-resident registered as a VAT payer is payable in foreign currency (euro or US dollar) within 30 calendar days following the last day of the deadline for submitting a simplified VAT return to a foreign currency account, open to the State Treasury Service of Ukraine, in an authorized bank.</p> <p>Details of such a currency account are posted on a special portal solution "Electronic office of a non-resident provider of electronic services".</p> |
| <p>Currency of declaration and payment of VAT – <i>the currency in which, in accordance with national legislation, it is necessary to declare and pay VAT to the budget</i></p> | <p>For each tax period (quarter), the taxpayer must pay to the budget the amount of VAT (specified in the simplified tax return) in one of the currencies (euro or US dollar), which is selected by a non-resident when registering as a VAT payer.</p> <p>All cost indicators of services and the amount of VAT, defined in the simplified VAT return, are reflected only in one of the two currencies EUR/USD, which is selected by a non-resident when registering as a VAT payer.</p> |
| <p>Is there a procedure for registering a supplier as a subject of VAT taxation?</p> | <p>Yes (starting from 01.01.2021)</p> |
| <p>The procedure for registration as a subject of VAT taxation (remotely / not remotely)</p> | <p>Remotely (starting from 01.01.2021)</p> |
| <p>Website address</p> | <p>www.tax.gov.ua</p> |