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REPORT ON THE PROGRESS OF THE NATIONAL REVENUE STRATEGY UNTIL 2030 IN 2024



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INTRODUCTION

The public finance of our country has been functioning against unprecedented challenges since the onset of the full-scale invasion by the Russian Federation, including without limitation the tough macroeconomic situation, the increased level of state budget deficit, difficulty fulfilling debt obligations, and the need to finance priority needs with limited resources and continuously growing demand, destruction and losses.

The martial law and the tough economic situation have resulted in the need to transform the structure of expenditures: the priority has been given to defence expenditures, social protection and protection of the critical infrastructure: half of all the expenditures in 2024 were allocated to the military budget (50.3%) as Ukraine's key task in martial law was to maintain conditions for countering the aggression of the Russian Federation and restoring the territorial integrity of Ukraine.

The financial support by the international partners has enabled balancing the budget and financing social protection needs and other non-defence expenditures, and has also played the significant role in covering the payment balance deficit.

However, as external financing is getting more and more vulnerable to risks, it is necessary to find ways to increase domestic budget revenues on a consistent basis, to improve tax proceeds by eliminating the existing tax evasion opportunities, to raise the level of legislative compliance, and to fight the shadow economy.

In order to ensure macroeconomic and financial stability during and after the martial law, improve tax and customs administration, adapt the national tax and customs legislation of Ukraine to the EU acquis, and in pursuance of the Memorandum for Economic and Financial Policy between Ukraine and the IMF of 24.03.2023, the National Revenue Strategy until 2030 (hereinafter the "National Strategy") was approved by the Decision of the Government of Ukraine of 27.12.2023.

The principal provisions of the National Strategy were approved by the IMF, with due consideration of the international taxation practices, European integration processes, and recommendations of the World Bank and the OECD.

2024 was the first year of implementation of the National Strategy. Material progress was achieved in certain areas of the National Strategy even during the martial law.

Moreover, the taxpayers and international partners ensured adequate resources to finance priority expenditures for national security and defence, other essential social and humanitarian expenditures aimed at supporting the population and internally displaced persons, operations of the critical infrastructure as well as liquidation of effects of the armed aggression.

This Report presents the progress of the National Strategy in 2024.

MACROECONOMIC SITUATION AND MOBILISATION OF BUDGET REVENUES IN 2024

Macroeconomic situation.

2024 is the third year of the full-scale military aggression of the Russian Federation against Ukraine.

The hostilities keep affecting all the economic sectors, the production one in the first place, but the international assistance, flexibility of small and medium-sized businesses and actions taken by the Government of Ukraine to support production and employment have facilitated stabilisation of macroeconomic indicators. The key challenges still are destruction of the infrastructure, including the energy one, disruption of logistics, reduced investment activity due to safety risks and imbalance of the employment market as a result of the forced domestic and external migration of the population.

According to the assessment of the damage and needs caused by the full-scale Russian invasion (RDNA4), the damage incurred by the Ukrainian infrastructure is around 176 billion US dollars. Pursuant to the assessment findings, the most affected sectors are housing (33% of the total damage), transport (21%), energy and extractives (12%), and commerce and industry (10%).

As estimated by the Ministry of Economy, the GDP growth rates in 2024 are assessed at the level of 3.6%, which is 1.0 pp less than forecast in the state budget for 2024. Deviation from the real GDP expected from the forecast dynamics is explained by the worse dynamics in return of the migrants, major destruction of generating capacities in the energy sector, deeper shortage of qualified personnel, and the crops worse than the expected ones. The highest growth rates have been demonstrated by transport (owing to stable operations of the Ukrainian Sea Corridor), construction (under the influence of major budget financing), and the processing industry.

Key macroeconomic indicators

Indicator	2022	2023	2024		
			Resolution of the Government No. 1315 of 15.12.23	Actual / <u>estimated</u>	Deviation
Nominal GDP, UAH billion	5,239.1	6,628.0	7,643.0	<u>7,589.0</u>	-54.0
Real GDP, change in % against the previous year	-28.8	5.5	4.6	<u>3.6</u>	-1.0
Consumer price change pace, %, December against December of the previous year	26.6	5.1	9.7	12.0	2.3
Manufacturer price change pace, %, December against December of the previous year	38.2	16.2	11.4	27.6	16.2
Average monthly wage, UAH	14,847	17,442	21,809	<u>21,025</u>	-784
Change in the real wage ¹ , %		4.1	8.5	<u>13.2</u>	4.7
Change in export of goods and services, in % against the previous year	-29.4	-10.8	9.0	9.4	0.4
Change in import of goods and services, in % against the previous year	-1.1	7.1	5.9	3.0	-2.9
<u>Forecast assumptions:</u> exchange rate, UAH to USD (average)	32.3	36.6	40.7	40.2	-0.5

Source: State Statistics Service, National Bank, Ministry of Economy (estimated as of 18.02.2025)

The effect of stable operations of the Ukrainian Sea Corridor was increased export in the reporting year, which supported both the agrarian sector and metallurgy and the mining industry. According to National Bank, the export of goods and services in 2024 reached 56.1 billion US Dollars, which was 9.4% more than in 2023, and almost corresponded to the forecast for 2024 — 56.3 billion US dollars. The import of goods and services in 2024 reached 91.8 billion US dollars, which was 3.0% more than in 2023 and slightly less than considered in the forecast for the state budget for 2024 (96.4 billion US dollars).

¹ Nominal average monthly wage of employees adjusted by the consumer price index

The consumer inflation in 2024 made 12% (December against December), which was 2.3 pp higher than expected in November 2023 in the budget forecast for 2024. The inflation pressure was mostly formed as a result of higher business costs, namely for electricity and labour remuneration, as well as more impact of the effect of UAH devaluation upon prices. An increase in manufacturers' prices in 2024 made 27.6%, which was 16.2 pp more than estimated in November 2023.

In 2024, the forex market situation remained under control. The UAH to USD exchange rate as of 31.12.2024 made UAH 41.93 per USD while the average exchange rate for the year made UAH 40.15 per USD; the assumptions on the exchange rate considered in the budget for 2024 made UAH 40.7 per USD on average for the year.

Consolidated budget revenues.

The consolidated budget revenues in 2024 made 3,588.6 billion hryvnias, which was 483.8 billion hryvnias or 15.6% more than in 2023. The assistance granted by the international partners (the IMF, the EU and specific countries) remains material: it made 475.4 billion hryvnias in 2024.

In 2024, the state budget accumulated 3,123.5 UAH billion, which was 451.0 billion hryvnias or 16.9% more than in 2023.

The state budget revenues in 2024 made 163.4% of the annual indicator approved by the Verkhovna Rada of Ukraine (as amended). The annual target was exceeded by UAH 1,212,0 billion hryvnias, in the first place, owing to the assistance received from the international partners and own proceeds of budget institutions (718.2 billion hryvnias were received in kind).

The level of fulfilment of the budget inventory with due consideration of the changes made by the spending units of the state budget within the special fund (mostly due to the increase in annual indicators for own revenues of budget institutions) made 113.5%.

The principal source of consolidated budget revenues is tax proceeds: 2,088.3 billion hryvnias or 58.2% of the actual consolidated budget revenues, including 1,647.2 billion hryvnias or 52.7% of tax proceeds of the state budget.

In the structure of tax proceeds of the consolidated budget, in 2024, the income taxes made 882.7 UAH billion or 42.3%, and went up by 227.0 billion hryvnias or 2.3 pp in comparison with 2023. The growth was mostly caused by the increased share of the corporate income tax.

Moreover, the indirect tax proceeds (from the VAT, the excise duty, and the import duty) in 2024 made 1,020.4 billion hryvnias and grew by 210.3 billion hryvnias in comparison with 2023. The share of such payments in the total amount of tax proceeds of the consolidated budget made 48.9%.

In 2024, the amount of non-tax revenues made 1,018.8 UAH billion or 13.4% in the GDP, which was 9.3 billion hryvnias or 2.1 pp less than in 2023. The share of non-tax revenues in the total consolidated budget revenues was also decreased from 33.1% in 2023 down to 28.4% in 2024.

In fact, in 2024, the state budget received 3,123.5 UAH billion, including by administrators:

- 1,133.5 UAH billion were received within the payments assigned to the STS, which was 349.9 billion hryvnias or 44.7% more than in 2023;
- the revenues controlled by the State Customs Service made 591.7 billion hryvnias, which was 131.9 billion hryvnias or 28.7% more than in 2023;
- the payments received within the competence of the other authorities that controlled budget proceeds made 592.3 billion hryvnias.

Consolidated budget revenues of Ukraine in 2020-2024

Revenues	2020		2021		2022		2023		2024 ²	
	UAH billion	% VAT	UAH billion	% VAT	UAH billion	% VAT	UAH billion	% VAT	UAH billion	% VAT
GDP	4,222.0	-	5,450.8	-	5,239.1	-	6,628.0	-	7,589.0	-
Tax proceeds	1,136.7	26.9	1,453.8	26.7	1,343.2	25.6	1,638.1	24.7	2,088.3	27.5
Individual income tax	271.2	6.4	321.2	5.9	387.0	7.4	458.4	6.9	532.4	7.0
Military levy	23.9	0.6	28.6	0.5	33.7	0.6	38.0	0.6	51.2	0.7
Corporate income tax	118.5	2.8	163.8	3.0	130.6	2.5	159.3	2.4	299.1	3.9
Rent charges	57.1	1.4	89.3	1.6	94.1	1.8	66.3	1.0	58.9	0.8
VAT (balance)	400.6	9.5	536.5	9.8	467.0	8.9	580.8	8.8	734.5	9.7
VAT on the goods (works, services) manufactured in Ukraine, with due consideration of budget compensation	126.5	3.0	155.8	2.9	213.9	4.1	214.6	3.2	268.3	3.5
VAT on the goods (works, services) manufactured in Ukraine	269.6	6.4	315.5	5.8	298.5	5.7	347.0	5.2	425.5	5.6
VAT budget compensation	-143.1	-3.4	-159.7	-2.9	-84.6	-1.6	-132.4	-2.0	-157.2	-2.1
VAT on the goods imported into the customs territory of Ukraine	274.1	6.5	380.7	7.0	253.1	4.8	366.2	5.5	466.1	6.1
Excise duty on the excise goods (products) manufactured in Ukraine	82.3	1.9	85.0	1.6	61.1	1.2	94.3	1.4	106.9	1.4
Excise duty on the excise goods (products) imported into the customs territory of Ukraine	64.4	1.5	87.0	1.6	44.1	0.8	81.4	1.2	115.5	1.5
Excise duty on retail trade in excise goods by economic operators	7.2	0.2	8.2	0.2	10.2	0.2	14.0	0.2	15.9	0.2
Environmental tax	5.4	0.1	6.0	0.1	4.9	0.1	5.0	0.1	5.4	0.1
Import duty	30.2	0.7	36.9	0.7	23.3	0.4	39.6	0.6	47.6	0.6
Property tax	37.4	0.9	43.2	0.8	36.8	0.7	43.8	0.7	50.3	0.7
Land charges	31.5	0.7	35.3	0.6	29.6	0.6	34.5	0.5	39.3	0.5
Single tax	38.0	0.9	46.3	0.8	47.2	0.9	55.8	0.8	69.1	0.9
Non-tax proceeds	234.4	5.6	202.6	3.7	368.7	7.0	1,028.1	15.5	1,018.8	13.4
Own revenues of budget institutions	82.2	1.9	107.3	2.0	250.5	4.8	839.8	12.7	811.2	10.7
Revenues from capital transactions	3.6	0.1	3.8	0.1	2.9	0.1	3.7	0.1	5.0	0.1
Official transfers	1.2	0.0	1.4	0.0	481.3	9.2	434.1	6.6	475.4	6.3
Grants	0.1	0.0	0.2	0.0	456.5	8.7	427.9	6.5	334.3	4.4
Proceeds from the EU, foreign governments	0.4	0.0	0.4	0.0	24.4	0.5	6.2	0.1	141.1	1.9
Special-purpose funds	0.8	0.0	0.8	0.0	0.5	0.0	0.8	0.0	1.1	0.0
Total proceeds	1,376.7	32.6	1,662.3	30.5	2,196.6	41.9	3,104.8	46.8	3,588.6	47.3

Source: data from the Treasury, estimates by the Ministry of Finance.

The fulfilment of the proceeds part of the state budget in 2024 within the ongoing full-scale war was influenced by the following factors:

recovery growth despite the existing threats and risks, and growing price dynamics as a result of high electricity costs, forced adaptation of businesses to operations with limited electric power supply, higher staff maintenance costs as well as devaluation processes;

stable operations of the Ukrainian Sea Corridor, which enabled increasing export of products of the agroindustrial sector as well as metallurgy and the extraction industry;

the rate for the income tax declared by bank institutions in 2023 in the amount of 50%, and their

² Nominal GDP indicators — estimates by the Ministry of Economy as of 15.02.2025

principal rate increased in 2024 from 18% up to 25% (the banks paid the income tax to the state budget in the amount of 91.9 billion hryvnias, which was 79.1 billion hryvnias more than in 2023);

increased fuel (gasoline, diesel, liquefied gas) excise duty rates since 01.09.2024;

increase military levy rate from 1.5% up to 5% since 01.12.2024;

timely VAT refund — the balance of the non-refunded amounts as of the end of 2024 made 23.0 billion hryvnias; the indicator against the average monthly amounts claimed for the refund made 1.7 month;

1.7 increase in the import of defence products and energy recovery goods exempted from taxation when imported into the customs territory of Ukraine;

ongoing departure of the Ukrainians abroad in 2024, which affected private consumption (according to the UN, as of the beginning of 2025, 6.863 million refugees from Ukraine were registered globally, against 6.445 million persons as of the beginning of 2024).

OVERVIEW OF THE PROGRESS OF THE NATIONAL STRATEGY IN 2024, KEY ACHIEVEMENTS AND CHALLENGES

Overview of the progress of the National Strategy.

The Action Plan for the Implementation of the National Strategy provides for 207 targets for the activities (hereinafter the “activities”). At the same time, some activities recur annually or with a specific time interval until 2030 (for instance, every two years, every three years etc.). Also, the deadline for certain activities directly depends on progress of the other activities (for instance, the activities the deadlines for which are described as “following the activities set out in ...”).

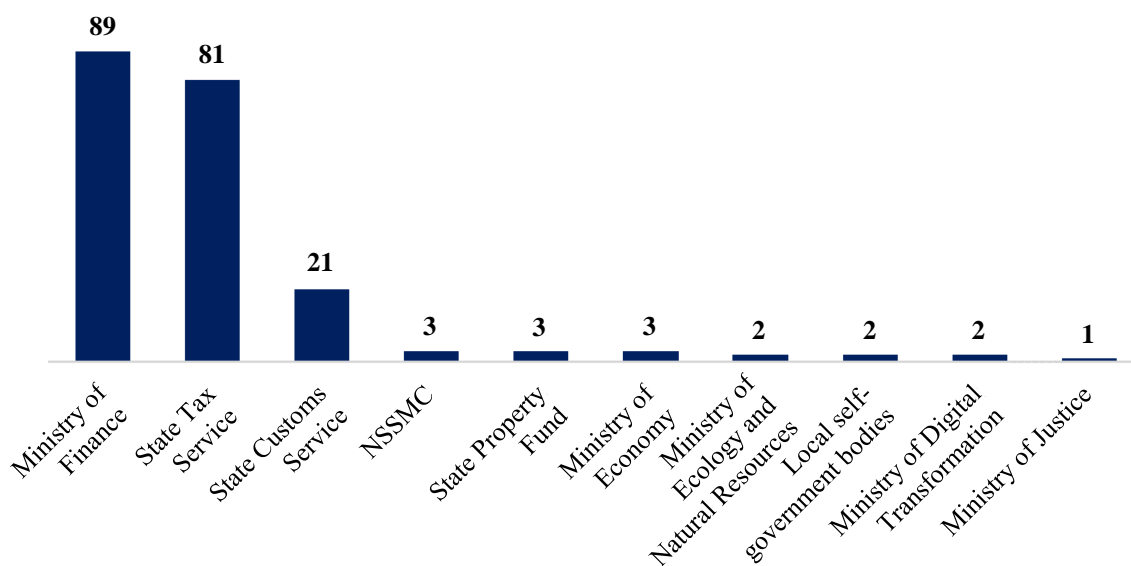
The National Strategy contains 104 tax administration activities, 70 tax policy activities, 21 customs administration activities, and 12 customs policy activities.

Number of activities in the Action Plan for the Implementation of the National Strategy by directions



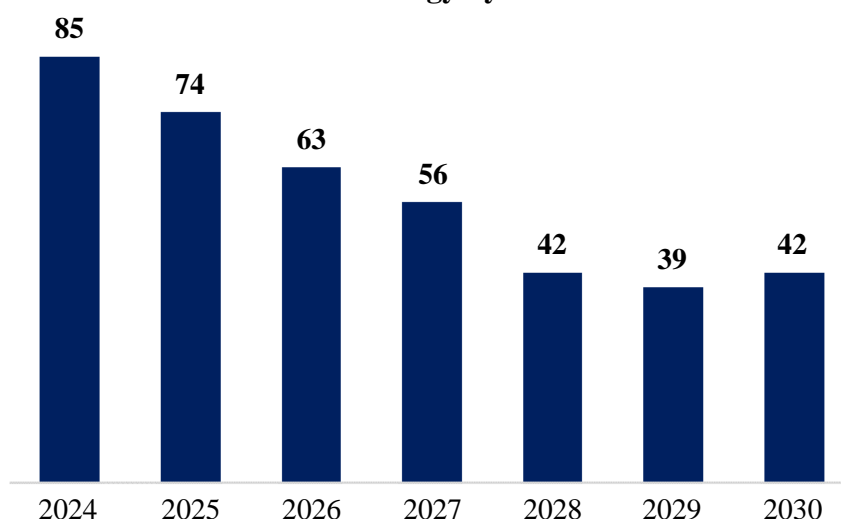
In terms of the key parties responsible for the implementation of the Action Plan for the Implementation of the National Strategy, the biggest number of activities are assigned to the Ministry of Finance (89 activities), the STS (81 activities), and the State Customs Service (21 activities).

Number of the activities in the Action Plan for the Implementation of the National Strategy by key responsible parties



At the same time, the biggest number of activities in terms of clear and unconditional deadlines³ were planned for 2024 (85 activities) and 2025 (74 activities).

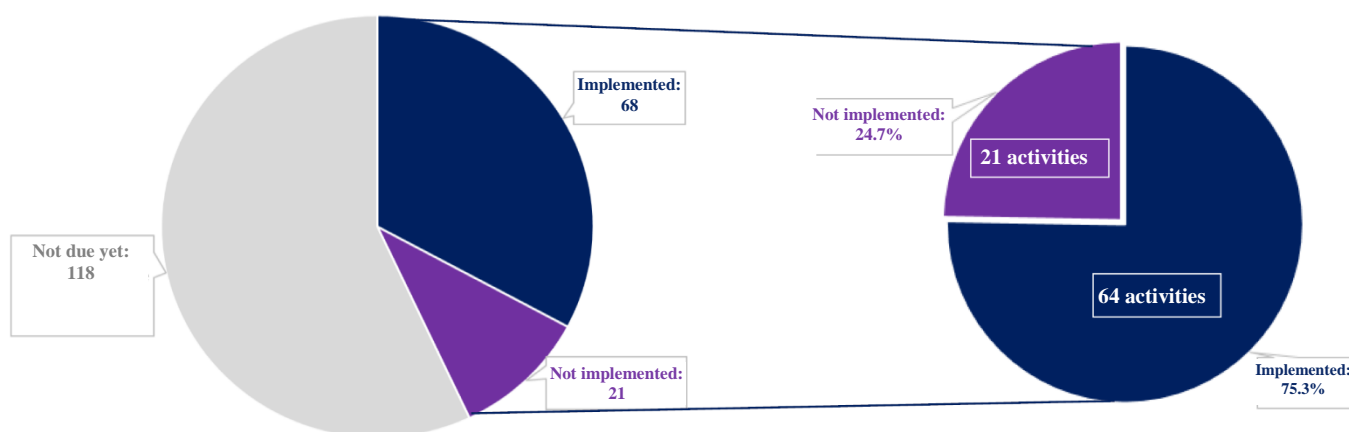
Number of the activities in the Action Plan for the Implementation of the National Strategy by deadlines³



68 activities from the Action Plan for the Implementation of the National Strategy were generally performed in 2024. 21 activities were not performed within the time frames set by the Action Plan for the Implementation of the National Strategy, and they are in progress. The deadline of 118 activities did not occur in 2024.

Overall progress of the activities in the Action Plan for the Implementation of the National Strategy⁴

Progress of the activities in the Action Plan for the Implementation of the National Strategy due in 2024



Progress of the activities due in 2024 is 75.3% (or 64 activities). 24.7% of the activities (or 21 activities as set out above) with the deadline in 2024 were not implemented when due, and are in progress.

Key achievements.

The key achievements in implementation of the National Strategy in 2024 are as follows:

³ Without due consideration of the activities the deadline for which directly depends on progress of the other activities (for instance, the activities the deadlines for which are described as “following the activities set out in ...”, “where necessary” etc.). At the same time, the recurring activities (progress of which is to be assessed annually or with a specific time interval until 2030) have been considered.

⁴ 207 activities in total. The completed activities include without limitation the ones to be performed not only in 2024, but also in the subsequent years (i.e. the recurring activities the progress of which was assessed for 2024 and will be assessed in the future as well) as well as specific activities due later than 2024 (the activities completed ahead of schedule).

the assessment by the OECD Global Forum was passed successfully to check compliance with the data confidentiality and protection for the purposes of exchange of information for tax purposes;

Ukraine became a full-fledged reliable partner in international system for automatic exchange of tax information that united more than 100 countries (in particular, all the EU Member States). Introduction of the exchange helps bring the national legislation in line with the EU acquis and introduce the OECD standards. The information received as a part of this exchange is an important tool to fight tax evasion and, therefore, to mobilise tax proceeds;

the bilateral convention on evasion of double taxation was signed by Ukraine and Japan to prevent double taxation between Ukraine and Japan, to facilitate tax evasion prevention, and to mutually reduce tax obstacles to foreign investment;

a number of legislative acts aimed at enhancing fiscal stability by mobilising internal revenues and bringing the Ukrainian customs and tax legislation in line with the EU legislation were adopted;

automation of the procedures for tax control over transfer pricing was ensured;

the basic documents and the mechanism for the implementation of the experimental project of operation of the tax risk (compliance risk) management system in the STS were determined to introduce modern compliance risk (tax legislation compliance risk) management practices;

the Ministry of Finance carried out inventory reconciliation of tax benefits, prepared redistribution to the specialised ministries and other central executive authorities, and also approved by the Guideline on assessing the tax policy tools that resulted in tax expenditures (Order of the Ministry of Finance of Ukraine No. 474 of 27.09.2024), which would enable detecting inefficient and obsolete tools and replacing them with more efficient ones;

in order to form the effective basis for reduction of corruption risks by introducing the transparent competitive selection of the head of the central executive authority responsible for implementing the state customs policy, and to prescribe peculiarities of admission to, process of and termination of the service with the customs authorities, the Law of Ukraine “On Amending the Customs Code of Ukraine as to the Peculiarities of the Service with the Customs Authorities and Certification of Customs Officers” was adopted on 17.09.2024;

the new risk management tools were developed, and the existing ones were updated, the approaches to application of the risk management system were improved, in particular, in order to select the forms and scope of customs control, analyse preliminary information, and use the RMS after goods were released;

on 22.04.2024, Ukraine started applying Phase 5 of the NCTS by introducing the next stage of the customs reform. Material progress was achieved in application of the NCTS and development of the programme of authorised economic operators (AEO);

in May 2024, the State Customs Service became an official partner of the WCO Anti-Corruption and Integrity Promotion (A-CIP) Programme, which would facilitate improvement of the business and law enforcement climate for transborder cooperation by enhancing access to anti-corruption instruments, resources and experience of the WCO and its 186 members.

In order to ensure support and further digital development of an effective and transparent public finance management system:

the IT and administrative capacity of the STS was ensured to carry out international exchange of information;

the actions were taken to develop automated systems, resources and services of the central executive authorities whose operations are directed and coordinated by the Cabinet of Ministers of Ukraine through the Minister of Finance;

owing to the cybersecurity actions, the electronic information resources of the customs authorities were provided with the antivirus protection, network attack protection, and protection against unauthorised access;

the Long-Term National Strategic Plan for Digital Development, Digital Transformation and Digitalisation of the State Customs Service of Ukraine and Its Territorial Units was approved based on the Electronic Customs Multi-Annual Strategic Plan of the EU (Order of the Ministry of Finance No. 63 of 09.02.2024), and the Digital Development Plan of the State Tax Service of Ukraine until 2030 (Order of the Ministry of Finance No. 660 of 24.12.2024).

In its Ukraine 2023 and 2024 Reports on Enlargement Package Policy, the European Commission highly appreciated Ukraine’s preparation for Chapter 29: Customs union — fourth level of preparation (out of five possible). Moreover, Ukraine also demonstrated the highest level of progress in the Chapter

“Customs union” in comparison with the other EU candidates.

Challenges and falling behind the schedule in progress of the activities.

In general, the responsible authorities achieved major progress in the implementation of the National Strategy in the reporting year. Nevertheless, some of the activities need more time than set out in the National Strategy in connection with martial law, the need to have certain activities approved by the international partners as well as the need to engage additional financing for specific activities.

The activities due in 2024 that were not completed on time and still are in progress include without limitation:

- **amendments to 2025 Strategy for Digital Development, Digital Transformation and Digitisation of Public Finance Management** (the updated Strategy was drafted by the Ministry of Finance and sent to the Cabinet of Ministers of Ukraine for consideration on 21.02.2025);

- **development of the concept of use of (personal) depersonalised information on tax payers by the tax authorities** (the materials necessary to develop the Concept of secure use of (personal) depersonalised information on tax payers were received from the STS. The materials still are being processed);

- **drafting of the Law of Ukraine “On Amending the Tax Code of Ukraine as to Further Improvement of the Transfer Pricing Rules”** (the provisions of the draft law are being processed by the OECD experts, with due consideration of the comments and recommendations given by the IMF and the proposals made by the STS);

- **drafting of amendments to the legislation on improving the mutual agreement procedure in order to ensure fulfilment of Ukraine’s commitments under the Double Taxation Avoidance Agreement in accordance with the recommendations of Action 14 of BEP8 Action Plan** (the Law of Ukraine “On Amending the Tax Code of Ukraine as to Improvement of the Mutual Agreement Procedure, the Procedure for Advance Pricing Arrangements in Controlled Transactions” was drafted, and it still is being modified);

- **development of the legislative amendments to limit the time during which a well may be considered to be new for the purposes of taxation with subsoil rent charges for natural gas production** (when the draft Law of Ukraine “On Amending the Tax Code of Ukraine as to the Peculiarities of Taxation during the Martial Law” (registration No. 11416-д of 30.08.2024) was considered in the Verkhovna Rada of Ukraine, the amendment by the Members of the Parliament N. P. Yuzhanina and others as to limitation of the time during which a well may be considered new for the purposes of taxation with subsoil rent charges for natural gas production was reviewed, and it was established that a well was considered to be new for three years after it was put into operation. However, the amendment was not supported by the Members of the Ukrainian Parliament);

- **development of the legislative amendments to grant additional powers to the local self-government bodies in terms of administration of local taxes and levies** (the Ministry of Finance prepared the legislative proposals on granting additional powers to the local self-government bodies in terms of administration of local taxes and levies, and the activities are in progress);

- **implementation of the activities to use balanced incentives to develop the processing industry** (in order to analyse capital investment, the Economic Development Committee of the Verkhovna Rada of Ukraine and the Ministry of Finance analysed the existing tax incentives to establish balance of the package of state support granted to the processing industry, to assess the existing tax incentives associated with investment and their defects. In order to draw large-scale investment into production sectors with the high added value, create new jobs and ensure economic recovery of Ukraine by introducing effective investment incentives in form of partial compensation for the investor’s capital investments, in line with the European Commission’s guidelines on regional state aid, the laws “On Amending Title XX ‘Transitional Provisions’ of the Tax Code of Ukraine on Compensation for Investment through Taxes” and “On Amending Point 4 of Title XXI ‘Final and Transitional Provisions’ of the Customs Code of Ukraine” were drafted).

Coordinating the implementation of the National Strategy.

The implementation of the National Strategy shall be coordinated by MoF.

In order to ensure monitoring of the implementation of the National Strategy, the Plan for Reforming the State Tax Service for 2024-2030 (Order of the STS No. 392 of 24.05.2024) and the Plan for Reforming the State Customs Service for 2024-2030 (Order of the State Customs Service No. 686 of 24.05.2024) have

been developed and approved, and the Steering Committees for the implementation thereof have been established; also, a number of the organisational events to coordinate the implementation of the National Strategy have been held.

With a view to ensuring transparent and open implementation of the National Strategy and communication with the public, in 2024, the Ministry of Finance carried out a number of discussions of the National Strategy and furnished explanations in response to business and public requests. The separate section “National Revenue Strategy” was created at the official website of the Ministry of Finance.

FOCUS AREA 4.2 TAX ADMINISTRATION

4.2.1. Enhancing integrity

4.2.1(a) “Anti-corruption programme, and combating corruption”

One of the key tasks within the complex purpose under the National Strategy is to create the reliable, transparent and client-centred system in taxation that is capable of winning trust of citizens and businesses in state institutions. The key role in this context is played by enhancing integrity of the STS and anti-corruption activities.

In 2024, the following was carried out in pursuance of the National Strategy:

the Action Plan for the implementation of the Anti-Corruption Programme of the State Tax Service for 2023-2025 in 2024-2025 was approved (Order of the STS No. 217 of 12.03.2024);

the amendments were made to the Anti-Corruption Programme of the STS in order to establish the procedure for assessing progress of the Anti-Corruption Programme and performance and effectiveness indicators thereof, with a view to analysing changes in corruption risk management and making proposals on how to keep improving this process (Order of the STS No. 265 of 09.04.2024).

In pursuance of the Anti-Corruption Programme and its purpose, the STS bodies took actions to prevent and detect corruption with due consideration of the peculiarities in organisation of operations of the STS bodies in connection with the martial law imposed in Ukraine, applied additional controls for compliance with the anti-corruption legislation, in particular, by increasing the number of inspections in the areas where corruption risks had been detected in terms of private interest, and ensured control over compliance with the anti-corruption legislation and rules of ethical conduct.

Following the monitoring of progress of the Anti-Corruption Programme of the STS, the reports on 2023 and 2024 were prepared to present without limitation the description of the actions taken to eliminate the corruption risks, and to assess the outcome of such actions based on the criteria of timeliness, completeness and achievement of the purpose. The reports on implementation of the Anti-Corruption Programme of the STS were posted on the web portal of the STS.

Due implementation of the Anti-Corruption Programme of the STS is a condition for changing the public attitude to the STS and creating the positive image of the STS.

4.2.1(b) “Raising the level of public trust, and creating the positive image of the STS”

In 2024, the annual study of satisfaction of business entities with the level of the services provided by the tax authorities was conducted by the STS (from 09.11.2024 until 01.12.2024). The survey covered 2,566 respondents from all over Ukraine, including 536 representatives of legal persons (20.9% of the total number), 1,036 individual entrepreneurs (self-employed persons) (40.4%), and 994 natural persons who did not carry out economic operations (38.7%).

According to the survey, the readiness to contact the STS bodies where necessary and the overall opinion on operations of the STS bodies were generally quite high. The payers assessed their readiness to contact as 5.29 points out of 6. The overall score of the STS bodies was 5.23 points out of 6.

The STS analysed the survey results and made the report (presentation materials). With due consideration of the conclusions made in the report as well as the proposals made by the payers during the survey, the Action Plan was developed and approved to improve the payer service system and approved, with due consideration of the results of the annual study of satisfaction of business entities with the level of the services provided by the tax authorities in quarter IV of 2024. The report on the survey findings was posted on the web portal of the STS.

Moreover, the independent Global Taxpayer Survey was conducted in the STS with the World Bank’s Support; in December 2024, the Report was received — “Ukraine: 2024 Tax Compliance Cost Survey”.

The principal conclusions made in the Report “Ukraine: 2024 Tax Compliance Cost Survey” were as follows:

this taxpayer perception survey provides a comprehensive view of the multifaceted experiences of Ukrainian taxpayers with STS. The survey reveals a complex landscape where electronic services and staff professionalism are generally well-regarded. However, there is demand for clearer communication and more reliable digital services. While the adoption of electronic tax submission is high, with most businesses utilizing the taxpayer’s Electronic Office, persistent issues such as system reliability, user interface

problems, and hardware limitations point to the need for ongoing improvements and support for digital tax solutions;

despite the Russia's invasion and economic challenges, businesses continue to show resilience, particularly in the regions most affected by the conflict, notably Donetsk and Luhansk. Many businesses have relocated since 2022, adapting to new market conditions by moving operations online or targeting new markets. However, adaptation has not fully mitigated the financial strain caused by the invasion. Smaller businesses in particular report deteriorating economic conditions and are struggling to manage the high costs;

tax compliance and associated costs are significant for businesses, notably so for the Single Social Contribution, Single Tax, and Personal Income Tax/Military Levy. These taxes are seen as particularly burdensome in terms of compliance frequency and resource requirements. Frequent changes in tax laws and a lack of clear, accessible guidance from tax authorities exacerbate these concerns;

interactions between businesses and tax authorities show mixed experiences, particularly around tax inspections and the appeals process. Larger entities more likely to receive formal documentation when undergoing inspections and are more likely to be assessed additional tax requests. While many businesses perceive fines as fair, many of those who disagree refrain from appealing due to a lack of confidence in the process, underscoring the need to enhance the transparency and trustworthiness of the tax appeal system;

Service quality and taxpayer satisfaction with the STS are mixed. Professionalism and politeness of STS staff are positively rated. Challenges persist in understanding tax legislation and accessing quality advice. While remote interactions and electronic submissions are generally well-received, there are complaints about the user-friendliness of these systems;

corruption, low consumer purchasing power, and the complexity of laws and regulations are consistently reported as major obstacles for businesses. These issues create a challenging business environment and raise concerns about the stability and predictability of the tax system, which affects businesses' ability to plan and invest;

focus group discussions support these findings, emphasizing the high costs of compliance, the frequent need for professional assistance, and the unstable regulatory environment. Participants highlighted the need for more user-friendly and reliable electronic systems, clearer communication from tax authorities, and more stable and transparent tax policies;

the survey provides an overview of the current state of taxpayer experiences in Ukraine, reflecting both progress and persistent challenges. The findings provide well-documented insights that can be used by policymakers, tax authorities, and business stakeholders. These results identify entry points for improving efficiency, fairness, and reduction of compliance burden in the Ukrainian tax system.

The STS is now analysing the gaps in its operations detected in the survey, and developing its proposals for the Action Plan for raising trust in the STS. The Guideline on Assessing the Impact of the Actions Taken in Pursuance of the Action Plan for Raising Trust in the STS (Order of the STS No. 794 of 31.10.2024).

As for electronic services, the Electronic Account is the most popular electronic service of the STS that enables taxpayers to exercise their rights and perform their duties under the Tax Code of Ukraine and the legal and normative acts adopted on the basis and in pursuance of the Tax Code of Ukraine.

The electronic services of the open (public) part of the Electronic Account have certain restrictions in the legal regime of martial law, which has been caused by the need to protect payers' rights and ensure information security. In particular, information from the registers is provided following the electronic identification by means of the qualified electronic signature of any qualified provider of electronic trust services.

In addition to access to personal data, taxpayers may use the Electronic Account to submit reports and other documents in electronic format, send letters, requests and applications etc. to the regulatory authorities and receive responses thereto, access and control settlements with the budget, pay taxes (only for natural persons), use the services of the electronic VAT administration services, sell fuel and ethyl alcohol, ensure interaction with the regulatory authorities on the matters prescribed by the Tax Code of Ukraine, which can be effected in electronic format, and also receive other analytical and information services online.

Moreover, the Electronic Account enables the payers to grant/withdraw their consent to transfer the taxpayer's information to the taxpayer (counterpart), and enables the taxpayer to receive certain tax information on other taxpayers based on their preliminary consent granted in electronic format.

When forms of tax, financial, statistical reporting, reporting on the single contribution to the compulsory state social insurance, they are automatically filled with the registration and other data available to the STS; reporting forms are filled in based on the documents already submitted to the regulatory authorities, and automatically checked for arithmetic and typing errors.

The natural persons, including those entrepreneurs, who submit the tax return on the property status and revenues, the tax return of the individual entrepreneur paying the single tax, are offered the simplified reporting mechanism. In particular, the intuitive support elements (questions and prompts are used), the return is automatically pre-filled with registration and recording data as well as data on the taxable items received from the other public authorities as well as information submitted by tax agents to the regulatory authorities, and other data available to the STS.

As of 01.01.2025, the private part of the Electronic Account had been used by 5.3 million persons.

Also, as of 01.01.2025, more than 98.2 thousand users had downloaded the mobile application “My Tax Office”.

The mobile application “My Tax Office” offered at iOS and Android digital platforms gives taxpayers (natural persons) access to the electronic tax services and enables them:

- to access the VAT Payer Register, the Single Tax Payer Register, the Insurer Register, the Register of Non-Profit Institutions and Organisations;

- to find a fiscal receipt and an excise duty stamp (without electronic identification);

- to receive information on the registration address, taxable items, tax debt, the duty to pay the amount of the monetary liability (TND);

- to send a request for data on amounts of revenues paid, and to receive data on amounts of revenues paid;

- to file the Tax Return on the Property Status and Revenues (tax relief), the Tax Return of the Individual Entrepreneur Paying the Single Tax (groups 1, 2 and 3);

- to file applications: a record card of the individual taxpayer (f. No. 1-ДП), an application for amending the State Register of Individuals (f. No. 5-ДП), and an application for the Register of Volunteers;

- to view information on settlements with the budget, and to pay taxes via the payment systems proposed;

- to receive information on documents processing outcome;

- to receive messages from the regulatory authority;

- to send letters to the regulatory authority.

4.2.2. Increasing the level of compliance with the tax legislation

4.2.2(a) Tax risk (compliance risk) management

In 2024, the Cabinet of Ministers of Ukraine adopted Resolution No. 854 of 25.07.2024 “On Implementing the Experimental Project of Operation of the Tax Risk (Compliance Risk) Management System in the State Tax Service”, which had been developed by the Ministry of Finance and the STS. The Resolution provided for the mechanism for implementing the project of operation of the tax risk (compliance risk) management system in the STS as well as introducing new approaches to tax risk (compliance risk) management in the STS without having to involve taxpayers directly into the process. The experimental project was coordinated by the Ministry of Finance while the STS and its territorial bodies were responsible for the implementation. The experimental project was introduced for two years.

The Orders of 30.09.2024 were issued by the STS in pursuance of the Resolution:

No. 704 “On Approving the Regulation on the Expert Commission of the State Tax Service for Application of the Tax Risk Management System”;

No. 705 “On Approving the Procedure for Developing the Tax Risk Data Sheet and Processing the Information Therein”;

No. 706 “On Approving the Guideline on Identification, Analysis and Assessment of the Tax Risk Degree”;

No. 707 “On Approving the Procedure for Processes of the Tax Risk Management System”.

Moreover, in pursuance of the National Strategy, the Verkhovna Rada of Ukraine adopted Law of Ukraine No. 3813-IX of 18.06.2024 “On Amending the Tax Code of Ukraine as to the Peculiarities of Tax Administration during Martial Law for the Taxpayers with the High Level of Voluntary Tax Compliance” (hereinafter “Law No. 3813”) in order to introduce the peculiarities of tax administration during the martial

law for the taxpayers with the high level of voluntary tax compliance, to introduce the consistent approach to tax risk management, to increase the level of transparency and consistent of operations of the STS, to save time of both officers of the regulatory authority and taxpayers in general.

With a view to communicating with the stakeholders, including the expert community, taxpayers etc., the STS developed the Plan for the Awareness Raising Campaign for the Implementation of the Experimental Project of Operation of the Tax Risk (Compliance Risk) Management System in the STS, which was approved by the Acting Head of the STS on 27.09.2024 and posted on the web portal of the STS together with the presentation materials.

In December 2024, the online meetings on the implementation of the experimental project of operation of the tax risk (compliance risk) management system were held for the senior executives of the STS and representatives of the civil society institutions and business associations, namely: the American Chamber of Commerce in Ukraine, the European Business Association, the Ukrainian Civil Society Organisation “Association of Taxpayers of Ukraine”, the Ukrainian Chamber of Commerce and Industry, the Ukrainian Civil Society Organisation “Ukrainian League of Industrialists and Entrepreneurs”, the Federation of Employers of Ukraine, the Civil Union “Union of Ukrainian Entrepreneurs”, and the Business Ombudsman Council.

Also, in order to increase the institutional capacity of compliance managers of the STS and implement the rules of Law No. 3813 in practice, the online training has been organised for the heads of the territorial bodies, their deputies and employees of the territorial STS bodies.

At the same time, in 2024, the STS changed the organisational structure of the State Tax Service to introduce the tax risk management system, and also established the Expert Commission of the STS on application of the tax risk management system, approved its composition (Order of the STS No. 735 of 04.10.2024 “On Establishing the Expert Commission of the State Tax Service on Application of the Risk Management System”), and ensured its operations.

On 27.12.2024, the General Plan of the State Tax Service of Ukraine for Improving Tax Risk Management from 01.01.2025 until 31.12.2026 and its elements, the Action Plan for 2025 and the Segment Plan for 2025 for the segment of Large Taxpayers were approved at the meeting of the Expert Commission.

4.2.2(b) Improving the processes of organising and conducting documentary and actual inspections

One of the key initiatives of the National Strategy in improvement of the control and inspection work is actions to introduce the E-audit, which will facilitate enhancement of the processes to organise inspections and digital transformation of the control and inspection work, in particular, by introducing the standard audit file (SAF-T UA).

Formation and submission of the standard audit file for taxpayers will promote reliability of bookkeeping and tax accounting and enable increasing the level of voluntary tax and other compliance by the taxpayers, which is controlled by the regulatory authorities.

At present, the guidelines have been developed and approved to introduce the electronic audit:

the amendments to the legislative and legal and normative acts have been adopted to reach all the necessary preconditions for introduction of the electronic audit procedure (E-audit); in particular, the form, structure and procedure for submitting the electronic documents of SAF-T UA to the regulatory authorities have been determined, and point 85.2 of Article 85 of the Tax Code of Ukraine has been supplemented with the duty of large taxpayers to furnish information in electronic format upon request of the tax authority during the documentary inspection;

the methods of reliability inspections, full accrual and payment of taxes and levies (for each individual tax, levy) have been developed and approved;

XSD file (XML Schema Definition) to form the standard audit file (SAF-T UA) posted on the website of the STS has been developed;

the detailed technical description of elements of the standard audit file (SAF-T UA) and XML documents control schema (XSD file) designated for taxpayers, software developers and providers that intend to import the function of exporting data from the source accounting system in accordance with the requirements for the standard audit file and downloading the file via the link has been approved;

the Electronic Account has been modified by expanding its functional and carrying capacity for receiving files in large volumes (up to 10 TB); in particular, the software of the information and communication system “Electronic Account” has been modified to ensure downloading of the XSD file

(XML Schema Definition) of the electronic document of the standard audit file (SAF-T UA);

the memorandums of cooperation between the STS and several large taxpayers that intend to take part in the e-audit implementation experiment in Ukraine have been made.

Also, in 2023-2024, the STS worked to create the intellectual property item, i.e. the software of the information and communication system for electronic audit “E-audit”, and to develop the integrated information protection system (hereinafter the “IIPS”). In particular, the STS prepared the Detailed Plan for Creating and Implementing the Information and Communication System (hereinafter the “E-audit ICS”) in 2024.

The E-audit system is created with the support of EU4PFM. The Central Project Management Agency (CPMA, Republic of Lithuania) conducted the international bidding procedure for development of software for E-audit ICS and concluded the Contract with the winner AMEDIA LLC in the end. The demo-version of the software of E-audit ICS has been deployed in the test environment of the developer, AMEDIA LLC. The detailed technical description of the elements of SAF-T UA and the annex to the Detailed Technical Description of the elements of SAF-T UA and XSD for SAF-T UA in the updated version have been posted on the web portal of the STS. Also, the banner “SAF-T UA” has been created on the web portal of the STS for the convenience of taxpayers (link: <https://tax.gov.ua/baneryi/saf-t-ua>).

In pursuance of the instruction of the STS No. 17-д of 06.12.2024, the working group has been established to modify and approve the draft Terms of Reference with participation of the representatives of the interested structural subdivisions of the STS. The first meeting was held on 30.12.2024. The Terms of Reference are planned to be completed and approved by 31.03.2025.

During the coordination meeting on 10.12.2024, the representatives of EU4PFM, the EU Delegation to Ukraine (EUD), the CPMA, the Ministry of Finance and the STS were demonstrated the electronic audit IT solution developed by AMEDIA LLC, and the matters of updating information on the current progress of the electronic audit IT solution and approving necessary subsequent steps were discussed.

Moreover, the software of the ICS “Electronic Account” was adapted by the STS regarding formation of materials of actual inspections in electronic format and put into test operation (statement of putting into test operation No. 3/ID3825 of 26.12.2024).

As they realise the importance of this area, and despite the martial law in Ukraine and temporary remote operations of a number of taxpayers, the STS carries out regular information and explanatory work among taxpayers by sending letters of explanation and posting applicable information on the web portal of the STS, on its Facebook page <https://facebook.com/TaxUkraine> and in the Telegram channel t.me/tax_gov.ua.

In order to keep implementing the electronic audit, the following draft laws were submitted by the Government to the Verkhovna Rada of Ukraine for consideration: “On Amending the Tax Code of Ukraine regarding Introduction of Electronic Inspections (E-audit)” (registration No. 6255 of 02.11.2021) and “On Amending Article 9 of Law of Ukraine ‘On Accounting and Financial Reporting in Ukraine’” (registration No. 6256 of 02.11.2021). The draft laws were included into the agenda of the thirteenth session of the Verkhovna Rada of Ukraine of the ninth convention in accordance with the Resolution of the Verkhovna Rada of Ukraine No of 11.02.2025.

4.2.2(c) Automating the procedures for tax control over transfer pricing

In order to enhance monitoring of controlled transactions (hereinafter the “CTs”) and adequate automation of specific processes of control over transfer pricing (hereinafter the “TP”), the STS and the representatives of the EU4PFM project, with due consideration of the international experts from the OECD, the US Treasury's Office of Technical Assistance, the World Bank, the IMF, have developed the technical solutions (the Concept Note and Terms of Reference (Specification)) on the ICS “Automated system for handling large data sets to analyse transfer pricing risks” (hereinafter the “BigData TP ICS”).

Also, the trilateral agreement between the STS, the representatives of the Central Project Management Agency (CPMA) and the software developers was concluded on 29.05.2023.

The main purpose of the IT solution is to apply advanced technologies to perform the following tasks: to improve risk-centred approaches; to increase the speed, accuracy and efficiency of results; to reduce the impact of the human factor; ultimately, to develop the positive care law, and to reduce tax offences.

The software was developed in 2023-2024 and put into permanent operation on 30.12.2024 in accordance with Order of the STS No. 809 of 06.11.2024 “On Putting into Permanent Operation the Information and Communication System ‘Automated system for handling large data sets to analyse transfer

pricing risks”.

BigData TP ICS has around a hundred data processing algorithms to identify risks of taxpayers' non-compliance in terms of submitting TP reporting and the arm's length principle at the macro, medium and microeconomic levels. At the macroeconomic level, risks are automatically calculated for each taxpayer that has filed a report on CTs based on customs declarations, tax, financial and other reports, and expenditure items are analysed and compared with the average industry indicators. At the medium level, the risks associated with raw material goods and cost efficiency indicators are calculated automatically in comparison with the average industry indicators.

Following the automated calculation at the macroeconomic and medium level, the preliminary risk markers are formed to be processed by the TP units of the territorial STS bodies in accordance with the requirements of the Procedure for Monitoring Controlled Transactions approved by Order of the Ministry of Finance No. 706 of 14.08.2015 (registered with the Ministry of Justice on 03.09.2015 under No. 1055/27500), and with due consideration of the actual conditions and circumstances of CTs and their contractual terms and conditions.

While the TP risk identification algorithms were created, they were concurrently tested in practice. In particular, taxpayers were informed of potential risks of non-adherence to the arm's length principle via the requests sent under point 73.3 of Article 73 of the Tax Code of Ukraine, and of submission of documents on TP, and corresponding meetings were held.

The practical testing of the system helped increase the level of voluntary compliance by taxpayers. Thus, in 2023-2024, 674 taxpayers filed income tax returns (amending ones) and increased their financial result by more than 13.3 billion hryvnias, which made 30% of the total scope of the adjustments made in 2015-2024. Such adjustments influenced the increase in the income tax accruals in the amount of 1.2 billion hryvnias and decreased the negative value of the taxable item by 6.2 billion hryvnias.

Therefore, the STS introduced the progressive system for assessing the risks of non-adherence to the arm's length principle, which was based on the latest data processing technologies. The system became the innovation tool to ensure transparency and efficient monitoring of CTs and facilitate compliance with the effective legislation and prevention of base erosion and profit shifting.

Application of BigData TP ICS enables automating the analysis of significant information volumes, identifying potential risks of tax evasion, and forming reasonable grounds for tax inspections. This system will make tax control faster, more efficient and consistent with the principles of fair taxation, and create favourable conditions for good-faith taxpayers at the same time.

This approach reflects the modern vector of development of the Ukrainian tax policy aimed at raising the level of conformity to the international standards, including the OECD recommendations.

The works to develop the integrated information protection system (hereinafter the “IIPS”) in the information and communication system of the STS (hereinafter the “ICS”) were performed and completed successfully, and the positive expert opinion and the Certificate of Conformity registered with the Administration of the State Service for Special Communication and Information Protection of Ukraine for the In order to of the ICS “Automated system for handling large data sets to analyse transfer pricing risks” were received.

However, development of such innovation technology in the field of TP as BigData TP ICS is merely an initial stage to improve the procedure for tax control over TP. It can be explained with the following factors:

1. Development of the basic analysis infrastructure.

Development of the IT system lays the basis for data consolidation and provision of analytical tools to identify the TP risks. However, at this stage, the system is mostly focused on collection, classification and initial processing of data, without detailed analysis of all the contractual terms and conditions, actual circumstances of CTs, and the outcome of functional analysis of parties to CTs (analysis by the calculation and analytical group).

2. Development and improvement of the system.

During the first implementation period, the IT system generally starts creating efficient risk assessment algorithms. Its improvement and adaptation to specific peculiarities of different CT items take time. A material increase in efficiency of control over TP can be expected only after the data base is adequately filled, the risk analysis models are tested and integrated into other tax systems (for instance, the Automated Tax Risk (Compliance Risk) Management System) developed within the experimental project in accordance with Resolution of the CMU No. 854).

3. Long-term impact upon mitigation of offences during CTs.

The main task of the system at initial stages will be to identify risks. In order to influence mitigation of offences and avoid litigation, the following needs to be done:

to keep updating algorithms and analytical models;

to ensure deep analysis of taxpayers' actions, and to develop the transparent calculation methodology;

to establish the constructive dialogue between the tax authorities and businesses by forming trust in the system.

4. The judicial system needs time to adapt to new approaches.

One of the key aspects in the fight against violations is a lower number of court disputes. It takes time so that:

BigData TP ICS will provide adequate data to form transparent and predictable inspection practices;

the courts will get the precedents based on results of the system operation, to adapt their decisions to the new standards.

Therefore, actions to improve the procedures for tax control over transfer pricing will continue to be implemented.

4.2.2(d) Exchanging information for tax purposes

The important achievement of the reporting year is creating all the conditions necessary for Ukraine to join the international system of automated information exchange — on financial accounts in accordance with the Common Reporting Standard (CRS) and Country-by-Country Reporting (CbC).

Specifically:

Ukraine has successfully completed the assessment by the Global Forum on Transparency and Exchange of Information for Tax Purposes (the Global Forum) in terms of compliance with the data confidentiality and security requirements. Following the assessment, on 26.06.2024, the Global Forum approved the Report on Maturity of Information Security Management System in the STS;

the national legislation has been brought in line with the requirements of the applicable international standards;

the OECD expert assessment of meeting the conditions for organising due use of the information in Country-by-Country Reports of international company groups was completed;

the international agreements on automatic exchange of information, i.e. MCAA CRS and MCAA CbC, entered into force for Ukraine on 28.06.2024 and 04.07.2024 respectively;

the IT capacity of the competent authority of Ukraine (the STS) to carry out international automatic exchange of international has been ensured;

the competent authority of Ukraine (the STS) has joined the Common Transmission System (CTS), which is used for safe exchange of information in accordance with the CRS and CbC standards;

the broad awareness raising campaign has been conducted for the entities involved into compliance with the new legislative requirements, including with participation of the international experts. In particular, more than 300 explanatory responses to the taxpayers' requests have been given, and more than ten explanatory documents have been posted on the web portals of the STS and the Ministry of Finance.

the first reporting campaign within reporting on reportable accounts by reporting financial institutions to the STS has been successfully completed on time.

The STS carries out permanent control over submission of reports on reportable accounts under the Common Reporting Standard (CRS) by the tax payers being residents of Ukraine (reporting financial institutions). Following the first reporting campaign, 97% of the reporting financial institutions fulfilled their duty to submit a report when due. In total, during the first reporting campaign, the STS received and processed 3,754 reports, and 1,794 of them were accepted. Following the analytical activities, 54 reporting financial institutions that had probably failed to perform their duty to report on reportable accounts were detected: seven of them were included into the schedule plan for scheduled documentary taxpayer inspections for 2025, and it still is being decided whether an unscheduled documentary inspection will be conducted for 47 of them.

The actions taken enabled Ukraine to carry out its first mutual international automatic exchange of financial account information with foreign partners in autumn 2024. Within the exchange, the STS transferred the financial account information on non-residents to the tax authorities of its exchange partnering jurisdictions, and also received data on accounts of the Ukrainian tax residents from the foreign competent authorities. The scope of information was information on the financial accounts kept by financial

institutions (banks, insurance and investment companies etc.).

Following the first information exchange, the information was sent to 51 foreign jurisdictions, and the information was received from more than 50 foreign jurisdictions. The STS received reports on reportable accounts of 1,652 reporting financial institutions from the foreign competent authorities.

As for international exchange within the Country-by-Country Reporting, the first exchange of CbC reports will be carried out in 2026. The first reporting period will be 2024.

During the reporting period, the process of exchanging information with foreign jurisdictions upon request was improved, which enabled reducing the term for Ukraine to receive the requested information from the foreign competent authorities: in 2024, the average number of days to receive requested information made 118 days, which was twice less than in 2023.

International information exchange and adequate performance of the requirements of the international information exchange standards by Ukraine aids in creating the more transparent tax environment and improving Ukraine's image as a reliable and equal partner in international information tax relationships.

4.2.2(e) Improving the excise duty administration

The strategic purpose of improving the excise duty administration with regard to alcohol drinks, tobacco products and liquids used in electronic cigarettes as well as fuel and ethyl alcohol is to increase the level of control over excise duty payers' compliance with the tax legislation and legislation on circulation of excise goods by establishing the efficient system for traceability of circulation of such excise goods, to ensure accountability and transparency thereof, which will allow increasing the payment discipline level and payment of the excise duty to the budget, and introducing the efficient actions to detect violations in this area and to take corresponding measures in response. The need to introduce the electronic system for traceability of circulation of excise goods has also been caused by the need to meet the requirements of the EU Directives on circulation of excise goods, namely Directives (EU) 2020/262, 2014/40/EU, and Commission Implementing Regulation (EU) 2018/574.

In pursuance of this purpose, Law of Ukraine No. 3173-IX of 29.06.2023 "On Amending the Tax Code of Ukraine and Certain Other Laws of Ukraine in Connection with Introduction of Electronic Traceability of Alcohol Drinks, Tobacco Products and Liquids Used in Electronic Cigarettes" (hereinafter "Law No. 3173") was adopted. Also, the Plan for Organising Drafting of Acts and Performance of Other Tasks in Pursuance of Law No. 3173 was approved by Order of Prime Minister of Ukraine D. Shmyhal No. 23144/1/1-23 of 05.08.2023.

In order to perform the Plan, the Government of Ukraine issued the following:

on 26.04.2024, Resolution of the Cabinet of Ministers of Ukraine No. 466 "On Approving the Procedure for Keeping the Unified Register of Equipment for Preparation and Treatment of Tobacco, Tobacco Raw Materials, and Industrial Manufacturing of Tobacco Products";

on 24.05.2024, Ordinance of the Cabinet of Ministers of Ukraine No. 461-p "On Designating the State Enterprise 'Ukraine Securities Printing Integrated Plant' to Print Graphic Elements of Electronic Excise Duty Stamps";

on 04.10.2024, Resolutions of the Cabinet of Ministers of Ukraine:

No. 1137 "On Approving the Procedure for Calculating the Excise Duty Amounts Due by the Economic Operators Being Manufacturers/Importers for the Unique Identifiers Formed";

No. 1142 "Certain Matters of Establishment and Operation of the Electronic System for Circulation of Alcohol Drinks, Tobacco Products and Liquids Used in Electronic Cigarettes". It is prescribed by point 2 of the Resolution that the operation of the software of the Electronic System is tested from 1 March until 31 December 2025 in accordance with the Procedure for Establishment and Operation of the Electronic System for Circulation of Alcohol Drinks, Tobacco Products and Liquids Used in Electronic Cigarettes approved with the resolution, on a voluntary and free basis, with participation of the economic operators that carry out production and/or import and/or wholesale and/or retail trade in the goods (products) labelled with graphic elements of electronic excise duty stamps;

No. 1143 "On Approving the Requirements for the Algorithm for Criteria for Formation of the Unique Group Identifier";

No. 1144 "On Approving the Procedure for Executing the Excise Electronic Document and the Form of the Document".

The following orders of the Ministry of Finance were also issued:

No. 99 of 29.02.2024 "On approving the forms of applications for registration of the equipment used

to prepare and process tobacco, tobacco raw materials, and industrial production of tobacco products with the Unified Register of Equipment Used to Prepare and Process Tobacco, Tobacco Raw Materials, Industrial Production of Tobacco Products, for amending the data, for deleting the data from the Unified Register of Equipment Used to Prepare and Process Tobacco, Tobacco Raw Materials, Industrial Production of Tobacco Products”;

No. 433 of 09.09.2024 “On amending Order of the Ministry of Finance of Ukraine No. 359 of 25 April 2015 ‘On approving the form of the Declaration of Maximum Retail Prices of Excise Goods (Products), the Procedure for Executing and Submitting the Declaration of Maximum Retail Prices of Excise Goods (Products)’” (registered with the Ministry of Justice on 24.09.2024 under No. 1439/42784).

Moreover, further improvement of the existing systems for automated control over circulation of alcohol drinks, tobacco products and liquids used in electronic cigarettes was ensured by drafting the law on amending the Tax Code of Ukraine, which was approved on 14.01.2025 at the meeting of the Cabinet of Ministers of Ukraine and registered with the Verkhovna Rada of Ukraine (registration No. 12408 of 14.01.2025). The purpose of the draft law is to ensure that the system for electronic administration of fuel and ethyl alcohol sales (hereinafter the “SEA FEAS”) shows the fuel owners to detect fictitious transactions, and to enable the regulatory authorities to adjust the data specified by the excise duty payers in the SEA FEAS as to the remaining fuel and ethyl alcohol in case their inconsistency is detected, to improve the excise duty administration, including to enhance control over payment of the excise duty on fuel and ethyl alcohol sold.

At the same time, adaptation of the software of the Unified Register of Equipment for Preparation and treatment of Tobacco, Tobacco Raw Materials, and Industrial Manufacturing of Tobacco Products was adapted to the ICS “Single window for electronic reports” in the reporting year.

For reference. In 2024, the excise duty paid to the consolidated budget of Ukraine was 238.2 billion hryvnias or 11.4% in the total amount of tax proceeds.

In comparison with 2023, the proceeds went up by 25.6% or 48.5 billion hryvnias due to the increase in the excise duty rates for tobacco products and fuel, the increase in the UAH to EUR exchange rate, and the increase in the production of specific excise goods.

Consolidated budget excise duty revenues of Ukraine in 2023-2024

Revenues	2023		2024	
	UAH billion	% VAT	UAH billion	% VAT
Excise duty on the excise goods (products) manufactured in Ukraine	94.33	1.42	106.88	1.41
Ethyl alcohol	0.12	0.00	0.12	0.00
Distilled beverages	8.04	0.12	8.75	0.12
Wine products	1.88	0.03	2.26	0.03
Beer	3.59	0.05	3.78	0.05
Tobacco and tobacco products	60.90	0.92	71.01	0.94
Vehicles	0.07	0.00	0.08	0.00
Electricity	6.74	0.10	8.43	0.11
Fuel	12.98	0.20	12.45	0.16
Excise duty on the excise goods (products) imported into the customs territory of Ukraine	81.39	1.23	115.49	1.52
Distilled beverages	2.12	0.03	2.45	0.03
Wine products	0.71	0.01	0.75	0.01
Beer	0.19	0.00	0.20	0.00
Tobacco and tobacco products	19.39	0.29	25.56	0.34
Vehicles	9.44	0.14	9.08	0.12
Electricity	0.18	0.00	0.87	0.01
Fuel	49.30	0.74	76.59	1.01
Excise duty on retail trade in excise goods by economic operators	6.12	0.09	7.15	0.09
Excise duty on the tobacco products sold by manufacturers and/or importers	7.91	0.12	8.72	0.11
Total excise duty	189.75	2.86	238.24	3.14

Source: data from the Treasury, estimates by the Ministry of Finance.

4.2.2(f) Eliminating the issues associated with collection, transfer, storage and analysis of data on settlement operations

In 2024, the actions within the subdivision were implemented via three key steps: amendments to the legislation, modification of the data transfer technology, and modification of the STS ICS.

1. As for the legislative amendments aimed at improving the procedures for collection, transfer, storage and analysis of data on settlement operations as well as introduction of the alternative (to the National Bank's technology) way to protect and transfer the data formed by cash registers (hereinafter the "CRs") to the STS.

In order to ensure the preparation of proposals on bringing the legal and normative acts on the matters of application of cash registers (hereinafter the "CRs") in line with the legislative requirements, to eliminate the issues associated with registration of settlement operations by means of CRs, the Inter-Agency Working Group for Application of CRs (hereinafter the "IWG ACR") was established by Order No. 251 of 20.05.2024.

One of the focus areas of the IWG ACR is to draft the legislative amendments aimed at improving the procedures for collection, transfer, storage and analysis of data on settlement operations as well as to introduce the alternative (to the HBY Bank's technology) way to protect and transfer the data formed by CRs to the STS.

2. As for modification of the technology of data transfer from cash registers to the STS and transfer of messages of receipt and results of electronic document validation from the CR Data Registration System (hereinafter the "CR DRS") to the CRs.

In order to ensure modification of the technology of data transfer from the CRs and transfer of messages of receipt and results of electronic document validation from the CR DRS to the CRs, in 2023, the STS and the NBU, pursuant to the draft document “Technology of CR data storage and collection for the STS. Format of data packages for the exchange between the STS and the Information Acquirer”, performed the works to put into operation the software that would enable the transfer of messages of receipt and results of electronic document validation from the CR DRS to the CRs (hereinafter the “Validation Results”). In 2023 and 2024, the deployment of the test environment and testing of transfer of the Validation Results from the CR DRS to the CRs were ensured.

In December 2024, the National Bank informed the STS that five information acquirers of the data storage and collection system of CRs (hereinafter the “CR DSCS”) ensured processing and transfer of the Validation Results from the CR DRS of the STS to the CRs, and one information acquirer demonstrated technical readiness to process the Validation Results, but did not confirm its readiness to process such results in the productive environment of the CR DSCS due to non-readiness of one of the CR developers.

Therefore, as the National bank performed the preparation works for receipt, transfer and processing of the Validation Results by all the information acquirers and the CRs operating within the CR DSCS, following the confirmation of readiness of all the participants of the process of receipt, transfer and processing of the Validation Results and approval of the updated version of the document “Technology of CR data storage and collection for the STS. Format of data packages for the exchange between the STS and the Information Acquirer”, the corresponding software will be put into operation.

3. As for modification of the STS ICS to complete the development of the analytical component of the CR DRS as well as to detect and eliminate causes of failure to process the data received from CRs and e-CRs.

In order to complete creation of the analytical element of the CR DRS, the ICS of the STS has been modified. In particular, the software “Modules of external request processing, analytical reporting and creation of OLAP cubes” of the System for Recording Cash Register Data of the Information and Communication System “Single window for electronic reports” (the analytical element of the CR DRS) has been developed and put into operation on a permanent basis (the work completion report of 08.11.2024).

4.2.2(g) Enhancing the work with the tax debt of natural and legal persons

The significant impact upon tax payment in Ukraine in 2022–2024 was caused by the full-scale military aggression of the Russian Federation. In 2023, the legislative restrictions of debt collection introduced in 2022 were cancelled in pursuance of the international commitments.

With due consideration of all the circumstances, the amount of the tax debt went up by 36.7 billion hryvnias in 2024 for the martial law period.

Given the above, and in the context of limited financial resources of the state and local budgets, enhancing the work with the tax debt of natural and legal persons is gaining special relevance.

One of the ways to improve the methods to administer the tax debt is to enhance the procedure for collecting funds from debtors’ bank accounts has been improved by setting up information interaction between the STS and the State Treasury and banks regarding dispatch of electronic payment orders (collection orders) on involuntary debiting (collection) of funds from the payers’ bank accounts.

For this purpose, the Ministry of Finance has developed and approved the Procedure for Information Interaction of the State Tax Service of Ukraine, the State Treasury Service of Ukraine and Payment Service Providers in Transfer of Payment Orders on Collection of Funds in Electronic Form (Order of the Ministry of Finance of Ukraine No. 669 of 30.12.2024 registered with the Ministry of Justice of Ukraine on 13.01.2025 under No. 66/43472).

The Procedure enables collecting funds from debtors’ accounts in electronic form automatically, by means of the electronic payment system of the National Bank (hereinafter the “EPS of the NBU”), when the regulatory authorities perform their tax debt repayment functions, which considerably reduces the time necessary to fulfil payment orders on collection of debtors’ funds for payment service providers, and mitigates risks of errors during the preparation and processing of payment orders.

In order to enhance professional skills of the staff of the tax authorities necessary to perform their functions, with due consideration of the requirements of the tax debt management system, the employees of the STS have taken part in the training organised by the international partners.

4.2.3. Digitalisation and data

4.2.3(a) IT consolidation of information resources and administration thereof by the independent administrator

In pursuance of the activities in this subsection of the National Strategy, it is planned to introduce the unified information and telecommunication system of the public finance management system based on the interoperability of electronic information resources with concurrent comprehensive information protection, technological independence and real-time information exchange.

The principal document that will establish strategic goals of development of the modern and efficient information technology management system will be the updated Strategy for Digital Development, Digital Transformation and Digitisation of Public Finance Management (hereinafter the “IT Strategy”), which has already been developed by the Ministry of Finance and sent to the Cabinet of Ministers of Ukraine for consideration on 21.02.2025.

In pursuance of the existing IT Strategy (Ordinance of the Cabinet of Ministers of Ukraine No. 1467-p of 17.11.2021), the Ministry of Finance has established the Committee on Management of Information Technologies of the Public Finance Management System (hereinafter the “IT Committee”), which is a means to decide on the single vector of digital development and digital transformation of the public finance management system. The IT Committee is made of representatives of the central executive authorities whose activities are directed and coordinated by the Cabinet of Ministers of Ukraine through the Minister of Finance (entities in the public finance management system).

The IT Committee is authorised to consider and approve digital development plans, to determine priorities of specific IT projects, to control implementation of IT projects of entities in the public finance management system, which are implemented with funds of the state budget and international partners.

Order of the Ministry of Finance No. 660 of 24.12.2024 has implemented the resolution of the Committee on Management of Information Technologies of the Public Finance Management System (minutes No. 8 of 18.12.2024) on approving the Digital Development Plan of the State Tax Service until 2030.

4.2.3(b) Data use security and access to information on the volume and flow of the tax payer’s funds on bank accounts

In pursuance of this subsection of the National Strategy, the administrator has been designated for the IT platform that will ensure operation of the separate path: in accordance with Ordinance of the Cabinet of Ministers of Ukraine No. 1467-p of 17.11.2021, the State Institution “Open Public Finance” subordinated to the Ministry of Finance was designated the administrator of information systems, databases, information resources and registers, server and network equipment, other elements of IT infrastructure and IT resources in the public finance management system that were vested in the Ministry of Finance and central executive authorities, the activities of which were directed and coordinated by the Cabinet of Ministers of Ukraine through the Minister of Finance.

4.2.3(c) Integrating the information and communication systems of the STS into the EU systems

Ukraine signed the agreement on accession to the EU Digital Europe Program (2021–2027), which was aimed at expanding cooperation between the EU and Ukraine in taxation matters, such as struggle against tax fraud, tax evasion and aggressive tax planning, aid in information exchange and administrative cooperation, and also provided for support of Ukraine in development and operation of the central IT systems in accordance with the EU requirements.

The information on the algorithm, terms and procedures for integration with the EU IT systems was received at the explanatory meeting with the European Commission held on 29.05.2024 on the mixed format (Brussels, Kingdom of Belgium) on the screening of negotiation Chapter 16 “Taxation”.

The interim integration activities and deadlines will be aligned with the Schedule of Commitments of Ukraine’s Accession to the EU after it is approved, following the comprehensive analysis of the explanatory materials on the algorithm for integration into the corresponding IT systems of the EU, which will be provided by the competent entities of the European Commission.

In December 2024, the STS analysed the following EU systems: Central Electronic System of Payment Information (CESOP) and Import One Stop Shop (IOSS). Based on the analysis, the need to

amend effective legislative acts is being determined.

4.2.4. Organisational and human resource activities of the STS

4.2.4(a) Reviewing the organisational structure of the STS

In pursuance of the National Strategy, in 2024, the functional examination of the STS and its territorial bodies was carried out. In particular, the inventory of the functions (procedures) of the structural subdivisions of the executive office of the STS and the territorial STS bodies was carried out, and proposals were made on how to optimise the functional powers and the number of the employees involved into the functions (procedures). Following the functional examination, the efficient organisational structure based on the functional principle was introduced. In particular, introduction of the efficient system of agency control over organisation of operations of the structural subdivisions of the STS and its territorial bodies was ensured; the regional consolidation of specific structural subdivisions of the STS of the territorial bodies (STI) was carried out, with the area of office premises reduced; the key indicators of the employees of the STS who ensured development (participation in the development) of the STS Development Strategy and the action plan in pursuance thereof and implementation, including as to implementation of the National Strategy.

The Organisational Structure of the STS was amended by Order of the STS No. 860 of 21.11.2024 “On Amending Order of the STS No. 22 of 14.01.2022”. The headcount of the STS was brought in line with the requirements of Resolution of the Cabinet of Ministers of Ukraine No. 832 of 18.07.2024 “Certain Matters of the State Tax Service of Ukraine”. According to the Resolution, the maximum headcount of the executive office of the STS bodies was increased by 206 units, and the maximum headcount of the territorial STS bodies was decreased by 3,291 units.

With due consideration of above-mentioned order, the amendments to the Manning Table of the State Tax Service of Ukraine were brought into force (Order of the STS No. 72-φ of 02.12.2024).

The Guidelines on the Organisational Structure of the Territorial STS Bodies were also amended by Order of the STS No. 742 of 07.10.2024 “On Amending Order of the STS No. 91 of 04.02.2022”. In pursuance of the requirements of the Order, the territorial STS bodies provided the lists of amendments to the organisational structures and manning tables of the territorial STS bodies, which were duly approved by the acting Head of the STS.

With account of the recommendations and Order of the STS No. 747 of 07.10.2024 “On Approving the List of State Tax Inspectorates”, the lists of amendments to the manning tables of the territorial STS bodies, which were duly approved by the acting Head of the STS, were provided.

Based on the proposals made by the structural subdivisions of the executive office of the STS, the functions (processes) of the STS in terms of possible automation of processes in the functional powers were analysed, in particular, with due consideration of the list of functions (processes) from the Register of Risks being an annex to the Anti-Corruption Programme of the STS for 2023-2025. The corresponding List of Functions (Processes) of the STS was formed following the analysis.

In order to introduce the efficient system of agency control over the organisation of operations of structural subdivisions of the executive office of the STS and its territorial bodies and make management decisions, the Ministry of Finance and the STS ensured that the actions had been taken to removed the agency control units from the structure of territorial subdivisions of the STS bodies, and the maximum headcount of the agency control unit in the executive office of the STS, which was directly subordinated to the Head of the STS, was increased. In particular, the corresponding amendments to the structure of the territorial STS bodies was approved by the Minister of Finance of Ukraine on 04.10.2024.

Following the working meeting between the senior executives of the State Tax Service and the NACP, the STS drafted the Resolution of the Cabinet of Ministers of Ukraine “On Implementing the Experimental Project of Operation of the Unified Authorised Corruption Prevention and Detection Unit in the State Tax Service”, which was approved by the associated executive authorities in accordance with the requirements of the Regulation of the Cabinet of Ministers of Ukraine (Resolution of the Cabinet of Ministers of Ukraine No. 950 of 18.07.2007) and submitted to the Cabinet of Ministers of Ukraine on 19.02.2025 for consideration.

In order to raise public trust in the STS and create its positive image, the Plan for the Awareness Raising Campaign for the Implementation of Reforms and Change Management was developed and approved on 20.09.2024, and then sent to the structural subdivisions of the STS and its territorial bodies.

The activities within the awareness raising campaign are in progress now.

At the central and territorial level, information on the progress of the National Strategy and explanations on its specific provisions are provided on a continuous basis within the Plan, during the activities organised by the STS bodies (briefings, conferences, round tables meetings etc.) with participation of representatives of businesses, specialised business associations, civil society institutes, taxpayers, and media. Also, both own resources of the STS at the central and regional level (web portal of the STS and subsites of the territorial organs) and external resources (media, sites of local self-government bodies etc.) are involved into awareness raising.

The specific resource on the National Strategy that has been created on the web portal of the STS and subsites of the territorial bodies of the STS (the subsection “National Revenue Strategy” in the section “Activities”) is regularly filled with posts on basic information on the National Strategy that give portal users the general idea of the Strategy, its purpose, activities and progress. As of 01.01.2025, 43 information materials were posted in the section.

The meetings with the leading civil society institutes, specialised associations were held in the offline format with participation of the senior executives of the STS and those organisations as a part of the awareness raising campaign. The purpose of the meetings was to provide complete and reliable information on operations of the STS, implementation of the reforms and change management by the territorial STS bodies, implementation of the National Strategy, and to furnish explanations on tax legislation.

The information on the meetings can be found on the web portal of the STS.

4.2.4(b) Enhancing the human resource policy of the STS

In order to enhance the institutional capacity, the STS performs regular activities to advance qualifications of its employees.

According to Resolution of the Cabinet of Ministers of Ukraine No. 106 of 06.02.2019, following the consolidation of the individual programmes for professional development of the civil servants from the STS bodies, the needs for professional training of civil servants have been determined and sent to the National Agency of Ukraine on Civil Service.

In 2024, the Competence Profile of the civil service positions of categories B and C was changed and supplemented with the model of operational competences, the description of the level of competences, with more detailed descriptions of value, professional and management competence models (Order of the STS No. 522 of 12.07.2024). Also, the Model of Competence-Based Strategic Management of Human Resources of the State Tax Service of Ukraine and the Action Plan in pursuance thereof for 2024-2030 were approved (Order of the STS No. 628 of 03.09.2024).

The Themed Plan for Internal On-the-Job Training of the Civil Services of the STS in the Vocational Training System for 2024 (as amended) has been approved. The training covers the most relevant themes necessary in operations of all the structural subdivisions and aimed at development of professional, functional and management competences. 38 trainings have been conducted within the Themed Plan.

During the reporting period, 1,331 (89.39%) civil servants of the STS completed the advance training based on their individual programmes for advancing the level of professional competences/individual professional development programmes. Also, 1,305 (87.6%) employees of the executive office were trained on alignment of the Ukrainian legislation with the EU acquis and Euro-Atlantic integration, cybersecurity/cyberprotection, their English language skills, and application of the international experience of conflict resolution and provisions of international humanitarian law. Moreover, 1,360 (91.3%) employees of the executive office completed the online training on different e-platforms for the purpose of self-education.

The STS and the State Tax University of Ukraine concluded the Memorandum of Cooperation. In pursuance of the Memorandum, the STS has determined the need for advance training in the areas and themes to develop professional competences of the civil servants, and the corresponding materials have been sent to the State Tax University. The structural subdivisions of the STS have been informed that the Knowledge Management Portal contains the full list of the programmes under which the State Tax University offers advance training. The special short-term advance training programmes “International taxation and tax planning” and “Tools to implement the budget and tax policy” were approved by Order of the STS No. 972 of 26.12.2024 “On Approving the Special Short-Term Advance Training Programmes”.

Moreover, as a part of interaction with the educational establishments and institutes in order to engage graduates from higher educational establishments and young professionals to work for the STS, six

Memorandums of Cooperation have been concluded between the STS and higher educational establishments, namely:

- on 31.01.2024, with the National University of Life and Environmental Sciences of Ukraine;
- on 11.04.2024, with the State University of Intelligent Technologies and Telecommunications;
- on 10.05.2024, with the Zaporizhzhia National University;
- on 10.05.2024, with the Odesa Trade and Economic Professional College;
- on 12.06.2024, with the Lutsk National Technical University;
- on 12.06.2024, with the Petro Mohyla Black Sea National University.

In order to engage the youth to the civil service, the awareness raising campaign is being conducted to draw candidates to practical training in the executive office of the STS, in accordance with the Procedure for Practical Training of the Young Citizens Not Being Civil Servants in the Executive Office and Territorial Bodies of the STS (Order of the Ministry of Finance of Ukraine No. 708 of 13.11.2020).

Instruction of the Acting Head of the STS No. 15-д of 29.11.2024 “On Developing Individual Professional Development Programmes of the STS Bodies for the Civil Service Positions of Categories B or C for 2025”, and Instruction of Acting Head No. 18-д of 06.12.2024 “On Determining the Tasks and Key Indicators for 2025” have been issued.

In order to improve the personnel performance management system, the STS has drafted an order for development of the software module “System to monitor performance of tasks and key performance indicators, effectiveness and quality of official activities of the employees of the STS”, which is being modified with account of the proposals made during the meeting with the representatives of Intellect-Service LLC.

One of the problems that remains unsolved in the human resource work of the STS is the need to optimise the employee’s work process owing to fully automated records management processes in the STS.

For the problem to be solve, the software has been modified on the basis of requests for enhancing the electronic records management system of the STS, and has been put into operation in terms of:

- maintenance of the Unified Register of Individual Tax Consultations;
- support of the automated process of correspondence between the regulatory authority and taxpayers with the ICS “Electronic Account”;
- updated names in the reporting forms;
- changes in the reporting form calculation algorithm;
- enhanced reminder of management decisions/control instructions, in the form of pop-up windows, monitoring of performance and entry of control card details into the registration and monitoring card, and automated reflection of details of the control task in the control card;
- modification of the Archive directory;
- modification of the navigation branch of the Archive as to execution of electronic files and transfer thereof to the archive subdivision of the institution to form file descriptions and the report on removal of documents for disposal;
- modification of the registration and monitoring card to register documents labelled “For internal use”;
- automated processes of information exchange with the ICS “Automated system for handling large data sets to analyse transfer pricing risks”;
- creation of the function “Keeping records on legal and normative acts”;
- creation of the registration and monitoring card of the document in the card system of the type “Compliance manager’s reports”;
- receipt of enforcement proceedings documents via the Electronic Court SJITS;
- creation of the section “Compliance manager’s reports” in the Reports module, and upload of the existing reports “Log of the compliance manager’s requests” and “Compliance manager’s reports on the work performed”;
- reflection of the responsible employee’s field in the window “Resolution” of the registration and monitoring card of the document, and creation of event records in the Event Log module of the SPM Administrator role;
- creation of functions of the Pulse service.

FOCUS AREA 4.3. TAX POLICY

4.3.1. Reform of the simplified taxation system

The deadline is one year after the implementation of the activities mentioned in subsection 4.2.3(b).

For reference. As of 01.01.2025, the total number of the individual entrepreneurs applying the simplified taxation system was 1,625.7 thousand persons, which was 52.5 thousand persons more than as of 01.01.2024.

As for the groups, the individual entrepreneurs applying the simplified taxation system selected the following:

the first group — 194.9 thousand persons, which was 7.4% less than in 2023, the share of whom in the total number made 12%;

the second group — 630.6 thousand persons, which was 4.8% more than in 2023, the share of whom in the total number made 38.8%;

the third group — 800.2 thousand persons, which was 4.9% more than in 2023, the share of whom in the total number made 49.2%;

the fourth group — 0.7 thousand persons.

In total as of 01.01.2025, the proceeds made 55.1 billion hryvnias, which was 17.1 billion hryvnias more than in the previous year.

4.3.2. Changing the individual income taxation model

The deadline is one year after the implementation of the activities mentioned in subsection 4.2.3(b).

For reference. In 2024, 532.4 billion hryvnias of the individual income tax and 51.2 billion hryvnias of the military levy were paid to the consolidated budget, which was 16.1% and 35% more than in 2023 respectively. Payment of the single contribution to the compulsory state social insurance for 2024 in the amount of 548.8 billion hryvnias was ensured, which was 14.8% more than in 2023.

Individual income tax, military levy and single social tax paid in 2018–2024 (billion hryvnias)

Type of payment	2018	2019	2020	2021	2022	2023	2024
Individual income tax on wages and monetary allowance	186.66	224.41	242.10	286.69	358.36	414.07	469.75
including on wages of employees	175.18	209.01	223.87	267.17	246.41	268.2	321.6
on monetary allowance of military servants	11.86	15.40	18.24	19.52	111.95	145.87	148.15
Individual income tax on other revenues	24.32	28.63	29.08	34.48	28.65	44.28	62.68
Military levy	18.72	22.43	23.93	28.61	33.66	38.0	51.2
Single social tax on wages	202.6	241.0	259.8	309.1	284.6	302.0	362.5
Single social tax on monetary allowance of military servants	13.75	17.89	20.97	21.97	127.65	164.1	173.0
Single social tax on self-employed persons (general and simplified taxation system)	10.18	12.30	11.82	15.90	11.60	11.44	12.65
including single tax payers	9.01	11.01	10.71	14.69	8.83	9.16	10.6
Single social tax, other (for the persons who carry out independent professional activities and the persons who take voluntary part)	0.35	0.38	0.36	0.39	0.30	0.41	0.5

Source: data from the Treasury and the STS.

The number of the individuals who claimed the right to a tax discount in 2023 made 89,879, and the amount of the individual income tax declared for the refund was 434,658 thousand hryvnias.

4.3.3. Improving the legislation on corporate income taxation

4.3.3(a) Using tax incentives efficiently to encourage post-war reconstruction and capital reinvestment

The activities will be performed in pursuance of the unified approach to application of tax incentives, including the unified approach to application of taxation benefits from 2025 until 2030.

4.3.3(b) Bringing the corporate taxation rules in line with the EU acquis

The work to bring the corporate taxation rules in line with the EU acquis considers the results of assessment of Ukraine's progress in the field of taxation by the European Commission, which is described in the reports drawn up for the purposes of the European Union Enlargement in terms of taxation (Chapter 16).

The activities to bring the income taxation rules in line with the EU acquis in terms of the corporate tax will be prescribed by the Schedule of Fulfilment of Ukraine's EU Accession Commitments after it is approved. Moreover, with due consideration of the recommendations given in the annual EU Enlargement Reports of the European Commission, the highest priority in alignment the corporate tax legislation is Ukraine's implementation of Council Directive (EU) 2016/1164 of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market (Anti-Tax Avoidance Directive, hereinafter the "ATAD").

In its turn, the tax legislation on dividends, interest and royalty paid between closely related companies will be gradually brought in line with the EU Directives. The equity benefits as well as exemptions for passive income applicable to the EU Member States will be negotiated in the Schedule (based on the longer-term reform, with account of the estimated value of such benefits).

The working group of the Ministry of Finance on drafting the Law on amending the Tax Code of Ukraine as to implementation of the tax avoidance practices that directly affect the functioning of the EU and Ukrainian market, in accordance with the ATAD (hereinafter the "ATAD Draft Law") has been established with the support of the international development partners (OECD, OECD) and the Reforms Delivery Office.

The ATAD Draft Law introduces the following:

- the general rule against tax avoidance practices, which is consistent with Article 6 of the ATAD (General Anti-abuse Rule, GAAR);

- the rules on taxation of capital gains from asset stripping, which is consistent with Article 5 of the ATAD (Exit taxation rules);

- the rules against hybrid mismatches, which is consistent with Article 9 of the ATAD (Hybrid mismatches).

Moreover, the Draft Law proposes amendments to the effective tax legislation on limitation of calculation of interest and taxation of controlled foreign companies, in order to bring them in line with the requirements of Article 4 and Articles 7, 8 of the ATAD respectively.

Introduction of the ATAD principles in Ukraine will enable the latter:

- to counter the base erosion practices that use different peculiarities of tax systems, and to facilitate alignment of the Ukrainian tax legislation with the EU standards, higher transparency and fair competition at the EU market as well as implementation of the recommendations of the EU Enlargement Report. Also, implementation of the ATAD rules will help level the competitive business conditions and increase the potential of the national tax base in the long term;

- to eliminate tax abuse in case s complex structured schemes that cannot be prevented with special rules, and (due to the universal nature of application thereof) to prevent occurrence of new types of abuse that are not covered by the effective rules in the focus area. It is explained by the fact that, contrary to the special rules (SAAR), the GAAR is a universal rule against tax abuse that cannot be eliminated with the special rules. Introduction of the GAAR in accordance with Article 6 of the ATAD will enable Ukraine:

- to fight tax erosion via financing transactions more efficiently by means of the updated interest limitation rule, which will be consistent with Article 4 of the ATAD;

- to introduce the capital transfer tax in accordance with Article 5 of the ATAD, which will enable Ukraine to tax the economic value of the capital gain in case the taxpayer transfers assets or tax residence outside the tax jurisdiction of Ukraine;

- to increase the level of tax base protection by applying the updated controlled foreign company rule,

which will conform to model A in Article 7 of the ATAD.

The problems of residents transferring profit via controlled foreign companies (CFC) have only been partly solved by Ukraine as there is a large number of benefits, and the same level of BEPS protection as the CFC rules under Articles 7-8 of the ATAD is not guaranteed.

The introduction of the rules against hybrid mismatches under Article 9 of the ATAD will enable Ukraine, subject to the mismatch type, to forbid including payments into costs, or to include such payments into taxable income.

In 2024, the STS received 10,698 notices of the resident of Ukraine acquiring (commencing actual control) or alienating the interest (terminating actual control) in the foreign legal person or property rights to the interest in assets, revenues or profit of the entity without the legal person's status, as to 21,241 controlled foreign companies.

Moreover, in pursuance of subpoint 392.6.3 of point 392.6 of Article 392 of the Tax Code of Ukraine, 76 banks / financial institutions and other regulatory authorities sent the STS 4,924 reports on the facts of the interest held by the natural (legal) person being a resident of Ukraine in the foreign legal person.

As for CFC reports, in total, 14,291 controllers submitted 38,288 Reports on 21,241 CFC registered with different jurisdictions globally (119 countries).

The Republic of Poland and the Republic of Cyprus remain the most popular jurisdictions where the Ukrainians register CFC, and make 23.2% and 11% respectively. Moreover, the largest share among the CFC registration countries is held by the USA (9.4%), the United Kingdom (9.1%), and the Republic of Estonia (7.5%). Other 114 countries of registration take up around 40%.

The detailed analysis of the Reports submitted allows the conclusion that the share of the CFC registration countries belongs to the offshore jurisdictions. However, jurisdictions tend to be diversified, which means that businesses are adapting to the new taxation rules.

The total amount of taxes accrued based on the declaration results has exceeded two billion hryvnias. It demonstrates efficiency of the new CFC taxation system and helps stabilise the state budget against economic challenges.

Introduction of the CFC reporting system facilitates the struggle against tax evasion and optimisation of tax liabilities. Moreover, the system enables getting more detailed information on international financial flows and their impact upon the Ukrainian economy.

The information received will make it possible for the tax service to have more efficient control over tax compliance and to detect possible violations. The next step will be detailed analysis of the Reports submitted and tax inspections in case violations and controllers that have failed to perform their CFC reporting obligations are detected.

4.3.3(c) Introducing the rules on the two-pillar solution

In 2024, the work was commenced to assess the scope of amendments to the tax legislation of Ukraine and accession to the legal instruments necessary to introduce Amount A of Pillar 1. The Multilateral Convention (MLC) to Implement Amount A of Pillar 1 as priorly arranged by the members of the Inclusive Framework on BEPS had not been signed until 30.06.2024 as there was no quorum necessary (it had to be ratified by at least 30 jurisdictions, including the head offices of the jurisdictions of at least 60% of the international company groups).

The activity will depend on the possible effect of the Multilateral Convention (MLC) to Implement Amount A of Pillar 1 in the future.

In 2024, the Ministry of Finance and the OECD experts carried out preliminary assessment of the scope of impact upon budget proceeds (financial and economic estimates) and legislative amendments necessary to introduce the rules of Pillar 2 of the OECD solution. In the context of Ukraine's European integration, the rules of Council Directive (EU) 2022/2523, which was consistent with Pillar 2, were analysed in order to bring the Ukrainian tax legislation in line with the EU acquis.

As for the implementation of Pillar 2, the priority is for Ukraine to introduce the Qualified Domestic Minimum Top-up Tax (QDMTT), which will ensure additional tax proceeds to the budget.

The outcome of the final assessment of impact upon budget proceeds and the scope of necessary amendments will be development and adoption of the draft law on amendments to the Tax Code of Ukraine as regards the implementation of the QDMTT and corresponding subordinate legal and normative acts.

In order to ensure the accession to the Multilateral Instrument (MLI) to implement the Subject to Tax Rule (STTR) within Pillar 2, the Ministry of Finance analysed the effective international tax treaties of

Ukraine that can potentially be covered by the corresponding international agreement: the Convention to Facilitate the Implementation of the Pillar Two Subject to Tax Rule (STTR MLI).

On 19.09.2024, at the ceremony at which the Convention to Facilitate the Implementation of the Pillar Two Subject to Tax Rule was signed, the Ministry of Finance provided the OECD Secretariat with the letter of interest in accession to the STTR MLI. The domestic procedures necessary to sign the STTR MLI are not being carried out.

Ukraine's accession to the STTR MLI will enable Ukraine to regain the right to tax certain types of revenues and increase its tax proceeds accordingly.

4.3.3(d) Improving the transfer pricing rules

The transfer pricing rules were introduced in Ukraine on 01.09.2013. As Ukraine is not a member of the OECD, the OECD Transfer Pricing Guidelines for Multinational Enterprise and Tax Administrations are of recommendation nature, so it is necessary to keep improving the transfer pricing rules in Ukraine and to bring them in line with the latest OECD Guidelines as the effective version of Article 39 of the Tax Code of Ukraine is mostly based on the OECD Guidelines of 2010 and only contains some updates from the OECD Guidelines of 2017.

On 20.01.2022, the OECD published the updated Transfer Pricing Guidelines for Multinational Enterprise and Tax Administrations, which contain without limitation the recommendations on application of the profit distribution method; establishment of conformity of transactions involving intangible assets to the arm's length principle; aspects of transfer pricing in financial operations; application of the concept of services with the low added value.

Moreover, it is necessary to keep implementing Actions 8-10 of the Action Plan on Base Erosion and Profit Shifting (BEPS) regarding transfer pricing, which have not been fully implemented yet.

With due consideration of the above, the Ministry of Finance and the OECD experts have drafted the law "On Amending the Tax Code of Ukraine to Keep Improving the Transfer Pricing Rules" in order to bring the transfer pricing rules in Ukraine in line with the OECD Transfer Pricing Guidelines for Multinational Enterprise and Tax Administrations of 2022 as well as Actions 8-10 of the BEPS Action Plan.

The draft law has been structured in accordance with the content of ten sections of the OECD Guidelines and covers various aspects of transfer pricing.

Following the expert examination of the draft law by the IMF experts in 2024, the professional recommendations to be considered in further modification thereof were given.

The improvement of the transfer pricing rules with due consideration of the OECD recommendations and IMF expertise will help increase the level of tax certainty for tax payers, adherence to the principle of fair taxation, will facilitate conformity of the Ukrainian tax legislation to the best global practices and, therefore, the higher level of tax proceeds to the state budget owing to prevention of aggressive tax planning that results in base erosion and profit shifting in Ukraine.

For reference. The information on application of the transfer pricing rules by the corporate income tax payers in 2015-2024 is presented in the table below.

Information on application of the transfer pricing rules by the corporate income tax payers

Indicator	Value
Number of the payers that filed amending corporate income tax returns with their own adjustments in accordance with the transfer pricing rules in 2015–2024:	1,395 (22.6% of the total number of those reporting on controlled transactions)
amount of the financial result before tax that has been increased on a voluntary basis, as a result of the adjustment	+43.8 billion hryvnias
increase in the corporate income tax accrued as a result of the adjustment	+ 3.8 billion hryvnias
decrease in the negative value of the taxable item	– 19.5 billion hryvnias
Non-resident income tax paid as a result of application of the rules for constructive dividends in effect since 1 January 2021	833 million hryvnias

Source: data from the STS.

4.3.3(e) Taxation of windfall profit

The corporate income tax rates were increased Law of Ukraine No. 3474-IX of 21.11.2023 “On Amending the Tax Code of Ukraine as to Peculiarities of Taxation of Banks and Other Taxpayers” in order to ensure fair taxation of excess profit of banks in accordance with the international taxation practice, in particular, as regards introduction of differentiated tax rates. The tax rate of 50% was established to tax the excess profit of the banks gained in 2023, and the rates of 25% were introduced starting from the reporting (tax) periods of 2024 on a permanent basis.

Following the analysis, the total amount of the additional proceeds of the state budget from the banks’ income tax in 2024 made 46.5 billion hryvnias owing to the increased tax rate from 18% to 25% and the one-time increase in the rate up to 50%.

Additional taxation was made possible by the stronger inflation pressure and introduction of stricter monetary conditions caused by the circumstances favourable for net profit of banks.

The same tendency of excess profit of banks was also observed in 2024.

Therefore, Law of Ukraine No. 4015 of 10.10.2024 “On Amending the Tax Code of Ukraine and Other Laws of Ukraine to Ensure Balance of Budget Proceeds in Martial Law”:

introduced the basic (main) rate of the income tax for financial institutions (other than insurance companies) at 25% (instead of 18%) starting from 01.01.2025;

introduced the increased income tax rate of 50% (instead of 25%) for banks for 2024.

According to the explanatory note, implementation of the initiatives proposed by Law No. 4015 will result in higher budget revenues owing to additional proceeds, in particular, from the corporate income tax.

4.3.4. Resolving the matters associated with application of international treaties on the avoidance of double taxation

The Ministry of Finance has analysed conformity of the effective international tax treaties of Ukraine to the present-day national interests. The analysis used the materials of the research paper “International Tax Treaties and Their Significance for Ukraine in the Context of the European Integration” by the Research and Development Financial Policy Institute of the State Tax University. The findings of the analysis will be used to form proposals on reviewing certain rules of the effective international tax treaties of Ukraine as well as to draft the updated Model Tax Convention of Ukraine. The updated Model Tax Convention of Ukraine will be a conceptual basis for Ukraine to conclude (review) its tax treaties.

The draft synthesised texts of the MTCU have been developed and approved by the foreign competent authorities, with due consideration of the amendments made to each bilateral MTCU in accordance with the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (the MLI).

As of January 2025, all 41 synthesised texts covered by the MLI were published on the official website of the Ministry of Finance of Ukraine. (<https://mof.gov.ua/uk/mli-441>).

The Ministry of Finance drafted the Law “On Amending Article 1 of the Law of Ukraine ‘On the Ratification of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting’”, which was registered with the Verkhovna Rada of Ukraine (registration No. 0293 of 13.11.2024). The adoption of the draft law will facilitate fulfilment of the international commitments and update of the list of Ukraine’s notices under the MLI in connection with the entry into force/termination of a number of international treaties of Ukraine on the avoidance of double taxation.

In order to avoid double taxation between Ukraine and Japan, to facilitate tax evasion prevention, and to mutually reduce tax obstacles to foreign investment, the Verkhovna Rada of Ukraine adopted Law of Ukraine No. 3774-IX of 05.06.2024 to ratify the Convention between the Government of Ukraine and the Government of Japan for the Elimination of Double Taxation with Respect to Taxes on Income and the Prevention of Tax Evasion and Avoidance, and the Protocol thereto.

4.3.5. Bringing the VAT legislation in line with the EU acquis

The deadlines for the activities within this section of the National Strategy are in 2025–2027.

For reference. The preferences and reduced VAT rates that were not mandatory in the EU ceased to be in force on 01.01.2025, namely:

zero-rate VAT on the goods (other than excise ones) and services that are produced by enterprises

and organisations of public associations of persons with disabilities, are founded or owned by public associations of persons with disabilities;

permission of deferred payment of the VAT by the regulatory authority based on the taxpayer's application for the period specified in the application, of up to 24 calendar months, with no interest, late penalty or fine charged, when importing the equipment and spare parts classified within specific subcategories under the Ukrainian classifier of goods of foreign economic activity;

VAT at 7% rate on the operations involving air transport services in connection with domestic passenger and baggage carriage;

VAT exemption of the aircraft manufacturing entities covered by Article 2 of the Law of Ukraine "On the Development of the Aircraft Manufacturing Industry", for the import of the goods (other than excise ones) that are used for the needs of the aircraft manufacturing industry and supply of deliverables of research and development works performed for the needs of the aircraft manufacturing industry in the customs territory of Ukraine, as well as zero-rate VAT on the operations involving sale of the products (services) of the aircraft manufacturing enterprises financed from the state budget of Ukraine.

4.3.6. Reforming the excise duty taxation

In order to bring the national legislation in line with the EU acquis, the Verkhovna Rada of Ukraine has adopted:

Law of Ukraine No. 3878-IX of 18.07.2024 "On Amending the Tax Code of Ukraine as to the Implementation of the European Union Acquis on the Excise Duty", which provides for the following:

introduction of the fuel excise duty rate increase schedule for 01.09.2024–31.12.2027, until the rates reach the minimum excise duty taxation level set by Council Directive 2003/96/EC restructuring the Community framework for the taxation of energy products and electricity;

definition of the term "intermediate products" based on Directive 92/83/EEC on the harmonization of the structures of excise duties on alcohol and alcoholic beverages;

increase in the excise duty rate from UAH 8.42 to UAH 12.23 per litre for intermediate products.

Law of Ukraine No. 4115-IX of 04.12.2024 "On Amending the Tax Code of Ukraine and Other Laws of Ukraine to Review the Tobacco Product Excise Duty Rates" (forwarded to the President of Ukraine to be signed on 09.12.2024), which provides for the following:

establishment of the tobacco product excise duty rates in EUR;

introduction of the tobacco product excise duty rate increase schedule during 2025–2028 until the rates reach the minimum level set by Council Directive 2011/64/EU of 21.06.2011 on the structure and rates of excise duty applied to manufactured tobacco (codification).

4.3.7. Introducing the environmental tax on carbon dioxide emissions

In pursuance of the National Strategy, the Ministry of Ecology and Natural Resources and KPMG Ukraine have signed the Memorandum of Cooperation in Climate and Ecological Finance. The expert discussions are being held on the optimum taxation model. Within the open expert discussion organised by the Ukrainian Climate Office on the theme "Carbon Pricing Scenarios and Assessment of Their Impact upon the Ukrainian Economy", the international institutions, the Institute for Economics and Forecasting, and the Green Transition Office (GTO) have presented the first analytical reports on modelling of carbon pricing scenarios in order to determine the most optimum ones.

For reference. The data on the environmental tax in terms of carbon dioxide emissions in 2018-2024 are presented in the table below.

A decreasing number of payers for the last three years has been connected with the martial law and has resulted in termination of operations of some taxpayers due to temporary occupation, destruction of facilities or location in the territory of active hostilities.

The payers of this tax are the entities that generate carbon dioxide emissions into the air from permanent contamination sources.

The taxable item is volumes of carbon dioxide emissions. The tax rate has been established at UAH 30 per tonne.

Data on the environmental tax in terms of carbon dioxide emissions

Indicator	2018	2019	2020	2021	2022	2023	2024
Rate, UAH per tonne	0.41	10.0	10.0	10.0	30.0	30.0	30.0
Proceeds from the environmental tax in terms of carbon dioxide emissions, million UAH	52.3	951.5	1,062.4	1,883.5	1,639.6	1,953.3	2,000.6
Number of payers, as of 1 January of the corresponding year	19,998	22,351	11,674	10,388	9,527	7,672	7,458
including those with the volume of emissions of more than 500 tonnes a year	2,464 ⁵	22,351	11,674	10,388	9,527	7,672	7,458
with the volume of less than 500 tonnes a year	17,534 ⁶	–	–	–	–	–	–

Source: data from the Treasury and the STS.

Payment preferences:

- the entities that generate minor carbon dioxide emissions of up to 500 tonnes a year do not pay the tax;
- the payers reduce their tax base for the carbon dioxide tax by the volume of such emissions of 500 tonnes a year;
- the carbon dioxide emissions from electric generation installations are not taxed (during the martial law);
- the environmental tax is not charged and paid in the territories where there are (have been) active hostilities, and in the temporarily occupied territories (during the martial law).

The tax is calculated and paid by the payer on a quarterly basis, based on the actual volume of carbon dioxide emissions and the tax rate.

4.3.8. Reforming the legislation on rental payments

4.3.8(a) Reforming the rental payment for the use of the Ukrainian radiofrequency resource

The Verkhovna Rada of Ukraine adopted Law of Ukraine No. 3721-IX of 21.05.2024 “On Amending the Tax Code of Ukraine and the Law of Ukraine ‘On Electronic Communications’ as to the Rental Payment for the Use of the Ukrainian Radiofrequency Spectrum (Radiofrequency Resource)”, which had been drafted by the Ministry of Finance jointly with the Ministry of Digital Transformation, the NCEC and the STS.

The Law cancelled the increasing (following the termination or cancellation of the martial law) and decreasing (from 1 September 2024) factors applicable to the rental payment rates for the use of the Ukrainian radiofrequency spectrum (radiofrequency resource), and increased the rates by 17%. The adoption of the Law ensured the same approach to all the payers of the rental payment for the use of the Ukrainian radiofrequency spectrum (radiofrequency resource) and simplified administration of the tax by the regulatory authorities.

The proceeds from the rental payment for the use of the Ukrainian radiofrequency spectrum by the cellular communication operators for 2024 made 2,308.9 million hryvnias, including 1,237.8 million hryvnias in the second half of 2024 while the proceeds for 2023 were 2,142.3 million hryvnias, including 1,071.1 million hryvnias for the second half of 2023. The increase in the proceeds for 2024 in comparison with 2023 made 7.8%. The increase for the second half of 2024 made 15.6% against the first half of 2024.

⁵ Number of the taxpayers that have emitted from 500 tonnes to 15.858 thousand tonnes and paid from 205 to 6.5 million UAH a year (sampled data as separate registration of payer subject to the volume of emissions was not carried out).

⁶ Number of the taxpayers that emit from 0.01 tonne to 500 tonnes and pay from 0.004 to 205 UAH a year (sampled data as separate registration of payer subject to the volume of emissions was not carried out).

The estimated proceeds of the rental payment for the use of the Ukrainian radiofrequency spectrum (radiofrequency resource) for 2025 will make 2,809.2 million hryvnias. Therefore, the aggregate effect of changes in the taxation conditions increases annual proceeds by 670 million hryvnias or 31%.

The number of the payers of the rental payment for the use of the Ukrainian radiofrequency resource (cellular communication) remained unchanged, six economic operators.

Therefore, the reform of taxation with rental payment for the use of the Ukrainian radiofrequency spectrum (radiofrequency resource) turned out to be successful: while the number of the payers remained the same, the proceeds were increased owing to the explanatory work among the payers and the gradual growth of liabilities, which enabled the payers to adapt to the new conditions.

4.3.8(b) Reforming the tax treatment of the extraction sector

When the draft Law of Ukraine “On Amending the Tax Code of Ukraine as to the Peculiarities of Taxation during the Martial Law” (registration No. 11416-д of 30.08.2024), which was adopted on 10.10.2024 as Law No. 4015, was considered in the Verkhovna Rada of Ukraine, the amendment by the Members of the Parliament N. P. Yuzhanina and others was discussed: it was proposed to replace change the definition of a new well for the purposes of taxation with the rental payment; it particular, it was proposed to prescribed that new wells did not include the ones that had explored reserves, reserves in production and proven reserves. Moreover, a well was considered to be new for three months after it was put into operation. However, the amendment of the definition of a new well was not supported by the Members of the Ukrainian Parliament.

The consolidated budget proceeds from taxation with the subsoil rental payment for natural gas extraction made 30.46 billion hryvnias in 2024 against 43.41 billion hryvnias in 2023.

For the taxation purposes, the actual selling price of natural gas means the maximum price of natural gas during the tax period at the domestic market of Ukraine, which is published by the Ministry of Economy on its official website on a monthly basis. Moreover, as for the gas sold to household consumers, the actual price is the one specified in the corresponding gas sale and purchase agreements between the rental payer and NJSC Naftogaz of Ukraine.

The revision of the tax treatment of the extraction sector will succeed provided that favourable conditions for investment into the industry (both internal and external) are created, and advanced technologies for extraction and complex process of the raw materials extracted are applied. Full implementation is impossible during the martial law in Ukraine with due consideration of elevated security risks, unstable economy, work force shortage etc. Comprehensive reformation of the extraction industry is only possible after the martial law is over.

4.3.9. Enhancing the functions of the local self-government bodies in administration of the taxes paid to local budgets

The Ministry of Finance has prepared the legislative proposals on granting additional powers to the local self-government bodies in terms of administration of local taxes and levies.

In order to achieve the purpose of higher local budget proceeds, the important stage in reformation of local tax and levy administration is enabling the local self-government bodies to perform specific functions, namely:

- to carry out inventory reconciliation of real estate and land plots to check whether they are on state registers;

- to compare data with owners of such property;

- to update data in registers.

Adequate filling of information bases with data on taxable items, including by transferring archive information on the title to the immovable property and land plots registered before 01.01.2013, will give legislative grounds to the regulatory authorities to accrue property taxes, enable due control over payment thereof and increase local budget proceeds accordingly.

For reference. The general information on local tax proceeds for 2023-2024 can be found in the tables below.

Local tax and levy proceeds from legal persons for 2023-2024 (million hryvnias)

Payment	2023	2024
Tax on immovable property other than a land plot	6,321.1	6,351.9
Land charges (land tax and rental payment)	29,735.7	34,012.9
Transport tax	74.1	83.5
Parking fee	129.8	147.8
Tourist levy	130.4	148.5
Single tax	17,800.4	13,980.4

Source: data from the Treasury.

Local tax and levy proceeds from natural persons for 2023-2024 (million hryvnias)

Payment	2023	2024
Tax on immovable property other than a land plot	2,818.9	4,324.9
Land charges (land tax and rental payment)	4,793.1	5,328.2
Transport tax	86.4	136.2
Parking fee	21.6	26.3
Tourist levy	92.2	124.6

Source: data from the Treasury.

4.3.10. Improving the legislation on immovable property taxation

In pursuance of the National Strategy, the working group on drafting the legal and normative act on property appraisal for taxation purposes was established by Order of the State Property Fund of Ukraine No. 609 of 27.03.2024. The Fund and the working group participants analysed the possible ways to perform the task, reviewed the information sources and European practices of immovable property taxation, and determined the principal problems associated with introduction of the massive appraisal of immovable property (real estate) for taxation purposes.

With due consideration of the main problems, the purpose of introduction of massive appraisal of real estate for taxation purposes can be achieved as follows:

I. Massive real estate appraisal that will be carried out by the appraising entities being economic operators.

II. Automated appraisal models.

III. Standardised appraisal.

However, each of the methods requires additional financial resources and/or amendments to the effective regulatory framework.

4.3.11. Introducing the unified approach to granting tax benefits

The Ministry of Finance has carried out inventory reconciliation of tax benefits and prepared distribution by the specialised ministries and other CEA. The Methodology for Assessing the Tax Policy Instruments Resulting in Tax Expenditures was approved by Order of the Ministry of Finance No. 474 of 27.09.2024 (posted on the website of the Ministry of Finance on 30.09.2024).

The Methodology will be introduced and applied gradually to all the corresponding matters, which will result in the regular appraisal cycle for all the aspects during several years. The document defines the unified approach to assessment of the tax policy instruments resulting in tax costs, at the development stage — via the forecast (ex-ante) assessment (to determine the value of the corresponding benefit for the budget

in the future), and following the introduction — via regular retrospective (ex-post) assessment (to determine efficiency of the tools, extent of achievement of their purpose, and improvement needs).

Incentivisation through tax benefits must be efficient in terms of funds spent. The Assessment Methodology will allow identifying inefficient and obsolete tools and replacing them with more efficient ones. However, it does not mean that tax benefits will be cancelled. It means that the person granted the justified benefit will get maximum use. The plan for the regular assessment cycle during several years under the Methodology for Assessing the Tax Policy Instruments was reflected in the Memorandum for Economic and Financial Policy between Ukraine and the IMF of 11.12.2024.

4.3.12. Using balanced incentives to develop the processing industry

In 2024, in pursuance of the activities set out in subsection 4.3.11 “Introducing the unified approach to granting tax benefits”, the Methodology for Assessing the Tax Policy Instruments Resulting in Tax Expenditures was approved by Order of the Ministry of Finance No. 474 of 27.09.2024. Also, in 2024, in order to analyse capital investment, the Economic Development Committee of the Verkhovna Rada of Ukraine and the Ministry of Finance analysed the existing tax incentives to establish balance of the package of state support granted to the processing industry, to assess the existing tax incentives associated with investment and their defects.

It was established following the analysis that the scope of capital investment in the country was inadequate for the processes of reproduction and renewal of fixed assets of enterprises, and the capital investment in the UUSD equivalent had been reduced from 7.6 billion US dollars in 2011 down to 6.1 billion US dollars.

The principal sector into which the investment was directed was the manufacturing industry (35-40% of the total investment). Around half of such investment is investment into the processing industry.

However, despite all the achievements in involvement of capital investment, their volume was incomparable with the size of the national economy.

The low pace of renewal of the fixed capital resulted in the high level of depreciation of production facilities and infrastructure, technological weakness and resulting deindustrialisation of the economy.

The destructive effects of the war are obviously adding more complexity to shortage of investment.

Under such critical circumstances, the state has faced the essential need to form the most favourable preconditions to raise capital investment into the processing industry. The existing support mechanisms are scattered around economic sectors to a large extent, but the limited national resources must be focused on investment into the processing industry as the key sector that manufactures capital-intensive, science-driven and high-technology products and causes the most positive multiplicative effects in the economy owing to internal and inter-industry ties.

In order to draw large-scale investment into production sectors with the high added value, create new jobs and ensure economic recovery of Ukraine by introducing effective investment incentives in form of partial compensation for the investor’s capital investments, in line with the European Commission’s guidelines on regional state aid, the laws “On Amending Title XX ‘Transitional Provisions’ of the Tax Code of Ukraine on Compensation for Investment through Taxes” and “On Amending Point 4 of Title XXI ‘Final and Transitional Provisions’ of the Customs Code of Ukraine” were drafted.

These draft laws provide for expanding the legislative framework for promoting investment into the Ukrainian processing industry based on the rules and principles in effect in the EU, by granting the following taxation benefits to the entity on the Register of Investors into Manufacturing Industry Investment Projects:

- VAT exemption for importing equipment for up to three years;
- exemption from the corporate income tax for up to ten years from the launch of the investment project;
- partial or full exemption from the land tax and rental payment for state and communal lands by the decision of the local self-government body;
- investor’s exemption from the duty when equipment and raw materials are imported, for up to three years.

The exemption will apply to the legal persons registered in Ukraine (being residents) that carry out economic operations in Ukraine in the processing industry (except for alcohol, tobacco production etc.), industrial and/or domestic waste treatment (other than waste disposal).

Moreover, according to the draft law, the procedure for keeping the Register of Investors into Manufacturing Industry Investment Projects, the procedure for including into and excluding from the

Register as well as reporting on implementation of manufacturing industry investment projects will be approved by the Cabinet of Ministers of Ukraine.

The maximum total size of benefits received will be limited to the following values:

70% of investment (costs) for investment of 100 thousand to 1 million euros;

50% of investment (costs) for investment of 1 to 20 million euros;

30% of investment (costs) for investment of 20 to 50 million euros.

4.3.13. Regulating circulation of virtual assets in Ukraine

Two draft laws on amending the Tax Code of Ukraine and other legislative acts of Ukraine on circulation of virtual assets in Ukraine have been registered with the Verkhovna Rada of Ukraine (registration No. 10225 of 07.11.2023 and No. 10225-1 of 17.11.2023).

The Ministry of Finance has taken part in the coordination meeting with the technical mission experts of the IMF's Fiscal Affairs Department (FAD), the Monetary and Capital Markets Department (MCM), and the Legal Department (LEG) on organisational matters of further interaction in update of the effective legislation on virtual assets and matters of taxation of transactions involving virtual assets.

FOCUS AREA 5.2. CUSTOMS ADMINISTRATION

5.2.1. Enhancing anti-corruption activities, and raising trust in the customs authorities

In order to improve the anti-corruption system in the State Customs Service, ensure consistent anti-corruption activities in the executive office and territorial bodies, introduce the transparency and integrity mechanisms, and reduce corruption risks in its operations, the Anti-Corruption Programme of the State Customs Service of Ukraine for 2023–2025 was approved (by Order of the State Customs Service No. 236 of 31.05.2023). In 2024, the State Customs Service ensured the implementation of the Programme and carried out monitoring and assessment thereof. As a result, the report was posted on the official website of the State Customs Service in the section “Preventing corruption”.

As the State Customs Service was connected to the Unified Whistleblowing Portal (hereinafter the “Portal”), the new Procedure for Organising the Work with Reports on Corruption or Corruption-Related Offences in the executive office of the State Customs Service and its territorial bodies approved by Order of the State Customs Service No. 666 of 23.05.2024 was developed and approved. Also, the person responsible for working with the Portal was designated from among the officers of the Authorised Subdivision of the State Customs Service and authorised subdivisions (persons) of the territorial bodies, and entry of all the reports on possible facts of corruption or corruption-related offences that were received via external and internal channels and the outcome of consideration thereof was ensured.

According to Order of the State Customs Service No. 480 of 04.11.2022 “On Organising the Work of the Agency Security and Control Department of the State Customs Service and Its Internal Units”, 489 activities were performed to prevent the persons whose moral and professional traits failed to conform to the integrity principles from being designated to the customs authorities.

Also, the Pilot Project of Applying Individual Portable Videocameras (IPV) at Rava-Ruska Checkpoint of the Lviv Customs office (introduced by Order of the State Customs Service of Ukraine No. 380 of 14.08.2023) was implemented. The number of the IPV users registered with the system is 114 logins. The implementation of the Pilot Project was supported with the international technical assistance from the EU Advisory Mission. With due consideration of the specification of the Pilot Project, the equipment by Hikvision was provided by the EU Advisory Mission. The Lviv Customs office and the State Customs Service ensured access to the video information received from the IPV as offline records. As the practices of applying the IPV at Rava-Ruska Checkpoint of the Lviv Customs Office were found to be successful, the Pilot Project was extended until 01.05.2025 by Order of the State Customs Service No. 1248 of 08.11.2024.

Therefore, the application of IPV creates discipline for the checkpoint officers, prevents abuse of office, gives the sense of confidence in lawfulness of actions owing to video recording, which results in higher trust from citizens and international partners, and enhances institutional independence of the State Customs Service. Further development and implementation of the Pilot Project will enable introducing photo and video recording of customs formalities by the personnel of the State Customs Service with IPV, developing organisational mechanisms for control over customs formalities by monitoring IPV records, and facilitate the fight against violation of customs rules in real time.

Also, the act to amend Resolution of the Cabinet of Ministers of Ukraine No. 370 of 08.06.2016 “On Approving the Procedure for Photo and Video Recording of Customs and Other Formalities by the Regulatory Authorities” is being drafted.

The purpose of anti-corruption activities is to raise trust in the customs authorities.

In pursuance of A-CIP Programme implemented jointly with the State Customs Service, on 02-30.09.2024, the consulting company of the global level PwC Berlin conducted the survey about integrity in Kyiv, Zakarpattia, Lviv, Chernivtsi and Volyn Customs Offices in order to obtain quantitative assessment of integrity promotion in the State Customs Service and of private stakeholders. According to the survey, the customs officials and business representatives expressed quite positive opinions on reforms and modernisation progress. It was demonstrated by the survey that the customs officials and the private sector were ready to adhere to the legislative requirements and rules of ethical conduct. Most respondents in the private sector believed that the State Customs Service was focused on business support and ready to cooperate with the private sector based on the principles of integrity, lawfulness and transparency.

In order to form the effective basis for reduction of corruption risks by introducing the transparent competitive selection of the head of the central executive authority responsible for implementing the state customs policy, and to prescribe peculiarities of admission to, process of and termination of the service

with the customs authorities, Law of Ukraine No. 3977-IX “On Amending the Customs Code of Ukraine as to the Peculiarities of the Service with the Customs Authorities and Certification of Customs Officers” was adopted on 17.09.2024 (hereinafter “Law No. 3977-IX”). The Law provides for introduction of special conditions for civil service in the customs authorities (certification of officials, regular integrity reviews of the personnel, including by means of a lie detector, formation of the talent pool, the incentive and social guarantee system etc.). The Plan for Organising Drafting of Acts and Performance of Other Tasks in Pursuance of the Law was approved by Order of the Prime Minister of Ukraine No. 33979/1/1-24 of 24.10.2024.

The State Customs Service developed the Key Performance Indicators of the Anti-Corruption Programme of the State Customs Service for 2023–2025, which were approved by Order of the State Customs Service No. 1315 of 10.12.2024, with the help of the international partners, including EU4PFM experts.

5.2.2. Supporting and cooperating with businesses

In order to enhance interaction with businesses, the State Customs Service drafted the Concept of the HELP DESK Contact Centre and the Action Plan in Pursuance of the Concept, which were approved by Order of the State Customs Service No. 21 of 08.01.2024. According to the Action Plan, the HELP DESK Contact Centre of the State Customs Service is going to be established at the Coordination and Monitoring Customs Office. The updated Regulation on the Coordination and Monitoring Customs Office (submitted to the Ministry of Finance for approval) and the draft Regulation on the Contact Centre have been developed as a part of the Concept.

The working group has been established to manage the IT project “Creating the HELP DESK System” (Order of the State Customs Service No. 527 of 19.04.2024). The server equipment has been deployed, and the software has been installed for the HELP DESK, the licenses purchased under the contract have been downloaded, and the HELP DESK has been deployed and set up.

The State Customs Service has developed the specification of the Hardware and Software Suite of the HELP DESK Contact Centre and its set-up services approved by the experts involved by the EU4PFM. The procurement procedures are carried out in pursuance of the EU4PFM. The officials from the executive office of the State Customs Service and the Coordination and Monitoring Customs Office are trained on administration and support of the IT element of the HELP DESK.

The work is also under way to form the knowledge base with standard questions and answers about legal and normative acts on customs matters in order to ensure prompt information exchange between the State Customs Service and the entities involved into foreign economic activities and citizens.

Moreover, the use of the national AEO programme and the simplification system was expanded in the reporting year. In order to promote the AEO programme, the State Customs Service conducts regular workshops, round tables, meetings, consultations with business representatives, their associations, and posts information on the AEO programme at its resources. The number of the enterprises with the AEO status reached 77 in 2024, which demonstrated the interest of businesses.

In 2024, the State Customs Service completed the assessment of 56 enterprises that have received 58 AEO authorisations (21 AEO authorisations were granted in 2023). In 2024, two enterprises were granted the AEO authorisation “confirmation of safety and reliability” (in 2023, the authorisation was granted to one enterprise). Also, 605 authorisations for simplifications were granted in 2024; they included 356 authorisations for simplifications under the Customs Code of Ukraine and 249 authorisations for the use of transit simplifications under the Convention on a common transit procedure.

At the eighth meeting of the EU-Ukraine Customs Sub-Committee, the EU noted the progress in the growing number of authorised economic operators in Ukraine. However, it was stated by the EU that the mutual recognition agreement required all the necessary actions to increase the number of AEOs in Ukraine, especially for the type “confirmation of safety and reliability”. The EU also confirmed that Ukraine had to reach the indicator of 10 AEOs of the type “confirmation of safety and reliability”. As of 01.01.2025, only three enterprises in Ukraine had the status of authorised economic operators of the type “confirmation of safety and reliability” (AEO-B).

Also, the control functions of the State Customs Service were optimised by focusing on risk operations and control over the quality of customs formalities.

In particular, the approaches to application of the risk management system were improved, in particular, in order to select the forms and scope of customs control, analyse preliminary information, and

use the risk management system (RMS) after goods were released. The actions were taken to mitigate discretion powers of the customs officials by forming the exhaustive list of grounds to cancel customs formalities out of the list of customs formalities.

The standard rules for/recommendations on the risk analysis, detection and assessment by means of the preliminary information received from the foreign competent authorities that were applied during and after the customs control were established.

In order to ensure the unified approach to customs clearance of goods in the customs authorities and prevent unjustified application of the customs control forms and scope, the State Customs Service and the Ministry of Finance improved the approaches to the risk management system, including during analysis of preliminary information, following the release of goods etc., by amending the Procedure for Analysing and Assessing Risks, Developing and Implementing Risk Management Actions to Determine Customs Control Forms and Scope (Order of the Ministry of Finance of Ukraine No. 305 of 26.06.2024 registered with the Ministry of Justice on 24.06.2024 under No. 964/42309).

The action algorithm for independent structural subdivisions of the State Customs Service was established by Order of the State Customs Service No. 888 of 19.07.2024 “On Certain Matters of Applying the RMS in the Analysis of Preliminary Information” in order to ensure use of the preliminary information received automatically from the foreign competent authorities in the ARMS, and the Guidelines on Analysing, Identifying and Assessing Risks with the Preliminary Information Received from the Foreign Competent Authorities were approved.

In order to introduce the unified approach in development of certain risk management activities, including targeting, and control practical implementation thereof, the corresponding Interaction Procedure was approved (Order of the State Customs Service No. 1085 of 16.09.2024).

In 2024, a number of letters about the unified approach to application of the risk management system were prepared and sent to the customs offices, in particular, as to application of the list of risk indicators, modification of the information in the ARMS, registration of decisions on customs formalities etc.

Also, 14 meetings of the Expert Commission on Application of the Risk Management System were conducted in the reporting year, with 22 new risk profiles approved and 42 existing risk profiles updated. In order to optimise operations of specific risk profiles, two standard analysis conditions were introduced, five decisions were made to update the risk indicators and parameters thereof used to select customs control forms and scope.

In 2024, the activities were performed to develop professional skills of the customs officials: four training and explanatory events on relevant matters of the RMS in selection of customs control forms and scope were organised, and specialised training under the programme “Applying the Risk Management System” was conducted for the customs officials.

The actions are taken to ensure efficient and selective customs control and to accelerate customs formalities. The automated means of safety and reliability risk analysis and assessment have been implemented with the data included into the entry summary declaration (hereinafter the “ESD”). In 2024, around 1.39 ESDs were submitted. Moreover, following the automated analysis of information from ESDs in movement of goods and commercial vehicles across the customs border of Ukraine, the need to carry out customs formalities in connection with documentary checks was established for more than 150 thousand movements (the equivalent indicator for 2023, which was 70.3 thousand movements, was exceeded almost twice), and customs formalities for customs inspections of 497 movements (47% than in 2023).

In order to increase the level of using the common transit procedure, develop application of the Convention on a common transit procedure in Ukraine and develop the NCTS, Ukraine started to apply NCTS Phase 5 on 22.04.2024.

When the NCTS is applied, entities are offered three ways to submit transit declarations T1:

via the One-Stop-Shop (the integration platform “One-Stop-Shop — UAIS — NCTS” developed by the State Customs Service);

via the Trader Portal (development of the corresponding functions has been financed by the EU4PFM);

via the broker software (pursuant to the specification for NCTS Phase 5).

In total, more than 94 thousand (including almost 60 thousand by means of NCTS Phase 5) common transit declarations, namely more than 21 thousand declarations of entry into Ukraine and more than 73 thousand declarations of exit from Ukraine, were made in 2024. The indicator of 2024 is materially bigger than the one of 2023 (41 thousand declarations).

Customs visa-free regime 2024

94 thousand

Transit declarations registered



Customs office of dispatch

73 thousand

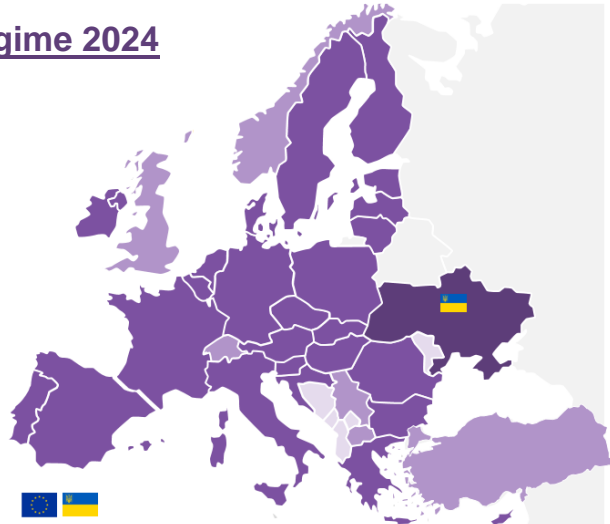
declarations



Customs office of destination

21 thousand

declarations



At the same time, the NCTS is applied by traders for internal transit. If the data for 2023 and 2024 are compared, these are 1.3 and 3.2 thousand movements respectively, so the number of such operations is almost 2.5 times higher.

Since 01.01.2024, the State Customs Service has registered 109 comprehensive guarantees and 10,151 individual guarantees in the guarantee management system. As of the end of the reporting period, there are 89 comprehensive guarantees and 5,901 individual guarantees in effect, with the total amount of guarantees of around 759.5 million euros.

Also, in 2024, the State Customs Service processed 965 requests from the foreign customs authorities and requests for certification of copies of customs declarations as alternative evidence of completion of transit procedures as a part of administrative assistance in accordance with the Convention on a common transit procedure. Moreover the State Customs Service initiated 789 requests for adequate completion of the common transit procedure to the foreign customs administrations during this period.

5.2.3. Developing international customs cooperation

In the reporting year, the exchange of preliminary customs information with other countries was established: the pilot projects of exchange of preliminary information based on SEED+ platform with the customs administrations of Romania and the Republic of Moldova were implemented, the Memorandum of Understanding between the State Customs Service of Ukraine and the Customs Department of the Republic of Lithuania on readiness to implement the automatic exchange of customs information within EU4DIGITAL Facility was signed, and the Agreement on Creating the System for Electronic Exchange of Preliminary Information between the Government of Ukraine and the Government of the Republic of Turkey was approved (Resolution of the Cabinet of Ministers of Ukraine No. 961 of 23.08.2024).

Preliminary information on goods and vehicles moved across the customs border of Ukraine that is received from the competent authorities of the Republic of Azerbaijan, the Republic of Moldova, the Republic of Slovakia, Hungary, and the Republic of Georgia is used by the customs officials in automated and non-automated risk analysis and assessment by means of the RMS. The ARMS has eight risk profiles.

In 2024, the number of the customs declarations on which the need for customs formalities to be performed by the customs competence subdivision was established by the ARMS made 1,931 (490 customs declarations in 2023).

In order to facilitate smooth operations of checkpoints and forecast the time necessary to cross the border, the base has been established to introduce the System for Prior Notification of Emergencies at the Ukrainian and Slovak Border and the Ukrainian and Moldovan Border (the Memorandums of Introducing the System for Early Notification of Emergencies at the Checkpoints at the Border with the Slovak Republic and the Republic of Moldova were signed).

Also, the regulatory framework has been created to construct and open the international checkpoint at the Ukrainian and Romanian state border “Bila Tserkva — Sighetu Marmăției” (Resolution of the Cabinet of Ministers of Ukraine No. 377 of 02.04.2024 “On Approving the Agreement (via Exchange of Notes) between the Cabinet of Ministers of Ukraine and the Government of Romania on Opening the New International Checkpoint at the Ukrainian and Romanian State Border between the Settlements of Bila Tserkva (Ukraine) and Sighetu Marmăției (Romania)” was adopted). The Agreement entered into force on

17.05.2024.

The State Customs Service initiated conclusion of international treaties on introduction of exchange of preliminary customs information in goods and vehicles in relations with the customs administrations of the EU Member States and other countries. However, there is no decision of the competent authority of the European Commission on the need to expand the practices of exchanging preliminary customs information for the corresponding mechanism to be introduced.

The EC legislation contains reservations on exchange of commercial information and information containing personal data.

Conclusion of Agreements on procedures for common control at the checkpoints with the neighbouring countries depends on the European Commission in accordance with the EU acquis.

5.2.4. Institutional development of the customs authorities

In order to introduce motivation and stability of the service in the customs authorities, Law No. 3977 establishes fixed salaries for officials in the central executive authority responsible for implementing the customs policy and its territorial bodies, and provides for higher fixed salaries in the customs authorities by setting minimum fixed salaries in the State Customs Service of Ukraine and its territorial bodies in Article 585 of the Customs Code of Ukraine.

The size of the fixed salary for positions in the central executive authority responsible for implementing the state customs policy is established for each position depending on the group of customs competences and may not be lower than 14 subsistence minimums set for able-bodied persons as of 1 January of the calendar year. The size of the fixed salary for positions of the territorial body of the central executive authority responsible for implementing the state customs policy is established for each position depending on the group of customs competences and may not be lower than 12 subsistence minimums set for able-bodied persons as of 1 January of the calendar year. The actions have been taken to improve the methodological framework for the human resource management system of the State Customs Service based on the European practices and instruments. In particular, the Human Resource Management Strategy has been implemented in pursuance of the strategic goals set, namely:

- the human resources have been renewed, and the talent pool of the service has been formed, namely by involving the youth, performing active career guidance work with higher educational establishments, and reviewing approaches to operation of the talent management system and onboarding. In 2024, 111 graduates who had successfully completed their specialised training on Key Components of Customs Affairs were appointed to vacant positions in the territorial bodies of the State Customs Service. In general, since the beginning of 2024, 164 persons from among students and the youth were appointed;

- in 2024, 407 students of higher educational establishments were given an opportunity to have practical training in the State Customs Service and its territorial bodies under the memoranda of interaction and cooperation between the State Customs Service and higher educational establishments, and in accordance with the Regulation on Practical Training of Students from Higher Educational Establishments of Ukraine approved by Order of the Ministry of Education of Ukraine No. 93 of 08.04.1993;

- efficiency of recruitment processes has been optimised by introducing the competence and profiling model. In order to assess the professional competence level and plan professional development of customs officials, the law provides for annual assessment of the customs competence level, which will be followed by development of the individual professional development programme;

- performance of the personnel has been improved with development and training by means of ongoing advance training of the officials of the State Customs Service and its territorial bodies in accordance with the approved advance training plans. In 2024, 23% officials of the State Customs Service and its territorial bodies completed advance training under professional (certificate) programmes;

- the corporate culture of the State Customs Service has been developed via semi-annual surveys about the customs personnel involvement and implementation of the corporate action plan.

The State Customs Service is taking actions to introduce the human resource management information system (HRMIS) in the territorial bodies of the State Customs Service and to support the HRMIS in the executive office of the State Customs Service. The State Customs Service has been connected to the HRMIS. The working group made of employees of the Administrator (NACS) and the human resource, IT and accounting departments of the State Customs Service has been established to introduce the human resource management information system (HRMIS) in the territorial bodies of the State Customs Service, and practical interaction with representatives of human resource units of the customs offices has

been organised at the executive office of the State Customs Service, in the format of guidance on introduction and filling of the HRMIS. Personal files of the officials from the executive office of the State Customs Service, the effective manning table have been entered into the HRMIS, and the work has been performed to fill the information system modules with the data necessary for its operations. The territorial bodies of the State Customs Service and the NACS have entered the agreements on access and connection to the human resource management information system (after the connection schedule plan is approved by the NACS). The State Customs Service has informed the NACS of the technical and organisational readiness of the territorial bodies of the State Customs Service for introduction of the information system.

The Verkhovna Rada of Ukraine adopted Laws of Ukraine No. 3613-IX of 20.03.2024 “On Amending the Customs Code of Ukraine and Other Laws of Ukraine as to the Peculiarities of Customs Control and Customs Clearance of Specific Categories of Goods” (hereinafter “Law No. 3613”) and No. 3926-IX of 22.08.2024 “On Amending the Customs Code of Ukraine as to the Implementation of Certain Rules of the European Union Customs Code” (hereinafter “Law No. 3926”), which without limitation resumed the powers of the customs authorities to conduct documentary inspections and also regulated the matter of post-customs control through pre-inspection analysis of the customs declarations that had been completed, and documentary checks of compliance with the Ukrainian legislation on customs affairs.

The State Customs Service has taken a number of actions to improve the approaches to and procedure for post-customs control and planning of documentary inspections by developing risk management. In 2024, the customs offices initiated post-customs control based on 3,015 customs declarations and completed post-customs control based on 2,889 customs declarations in pursuance of the recommendation technical pilot project of post-customs control. Unreliable data claimed in the customs declarations were detected in 2,136 customs declarations (74% of the total number of the customs declarations with completed post-customs control) following the post-customs control.

As a result of the pre-inspection analysis of customs clearances and detection of possible violations of the legislation on customs affairs, the customs offices of the State Customs Service additionally ensured customs duty proceeds to the state budget in the total amount of 128.3 million hryvnias; in particular, as a result of the post-customs control, the declarants paid 62.8 million hryvnias of customs duties in 2024 on a voluntary basis.

5.2.5. Developing IT, and providing technical facilities for customs control

Development of the customs infrastructure and synchronisation of the principles of its operations with the EU standards require digital transformation of its operations based on the specific goals and tasks in the first place. For that purpose, the Committee on Management of Information Technologies of the Public Finance Management System resolved (in minutes No. 6 of 19.01.2024) to approve the Long-Term National Strategic Plan for Digital Development, Digital Transformation and Digitalisation of the State Customs Service of Ukraine and Its Territorial Units based on the Multi-annual strategic plan for electronic customs (MASP-C). It was implemented by Order of the Ministry of Finance of Ukraine No. 63 of 09.02.2024.

In pursuance of the Plan, the automation activities were introduced:

the software and hardware suites “Decisions on binding information” (the equivalent of the European BTI/BOI — decisions of the customs authorities on the code and country of origin of goods) “Electronic guarantee management system”, and “Sanctions” were implemented in the automated customs clearance system “Centre” of the Unified Automated Information System of the Customs Authorities (hereinafter the “UAIS ACCS ‘Centre’”).

application of the centralised module “Checkpoint log” was commenced to work with electronic orders on loading goods into vessels in maritime ports, the Customs Decisions Management System (the equivalent of the European Customs Decision System, the CDS).

Also, with due consideration of the transition to application of the new software of NCTS Phase 5, in order to ensure interaction between the national software and the external system, the IT team of the State Customs Service has implemented a number of integration (in particular, interaction with the registration system for the persons that are parties to the relations governed by the legislation of Ukraine on customs affairs in their operations, with the electronic guarantee registration service). Moreover, it was made possible to submit transit declarations into the new system of the NCTS via the integration platform “One-Stop-Shop — UAIS — NCTS”.

As a part of the international technical assistance, the State Customs Service ensures cooperation with

international partners, in particular, to obtain modern technical equipment for checkpoints to optimise their operations (scanning systems, smart video control systems, weighing complexes etc.).

Moreover, the State Customs Service is taking information security (cyberprotection) measures:

in order to prevent unauthorised access to information, and to increase the data security level, the Privileged Access Management (PAM) system for the system administrators was introduced in 2024, with the mandatory integrated two-factor authentication mechanism;

in order to increase safety of Internet resources, the hardware and software suite for secure Internet access Cisco Web Security Gateway is introduced for controlled access of users from the State Customs Service to the Internet;

the work stations of all the employees have ESET anti-virus software installed;

the comprehensive information protection systems for automated work places for system users “ARKAN” have been created and proven to have conformity;

the Data Loss Prevention (DLP) solution has been deployed to prevent information leak and data control in the State Customs Service;

the information system and communication equipment monitoring system has been deployed and set up for early detection of failures based on the software WhatsUp Gold Total Plus Unrestricted New Points.

In order to increase data safety for 2025, the State Customs Service is going to take actions to introduce multi-factor (two-factor) user authentication.

In 2024, in pursuance of the requirements of the Customs Code of Ukraine, the conformity of the systems for operations for electronic information resources of the customs authorities and their support means was certified with corresponding certificates of conformity registered with the Administration of the State Service of Special Communication and Information Protection (IIPS).

FOCUS AREA 5.3. CUSTOMS POLICY

5.3.1. Preferential tax treatment of import

In order to enhance control and take measures to ensure full proceeds to the State Budget of Ukraine, the senior executives of the customs offices have been ordered:

to analyse the customs declarations drawn up in 2021-2023, for the goods placed into the customs treatment of temporary import, with provisionally partial exemption from customs duties, regarding which non-submission of additional customs declarations has been detected, and unpaid customs duties have been registered;

to take actions to ensure that taxpayers pay deferred customs duties in accordance with Resolution of the Cabinet of Ministers of Ukraine No. 236 of 09.03.2022 “Certain Matters of Customs Clearance of Certain goods Imported into the Customs Territory of Ukraine during the Martial Law”;

based on the information from the risk management system, including the automated risk management system, to ensure application of the mechanism for suspending the tariff preference for code 410 as to payment of the duty on customs clearance of second-hand vehicles of commodity group 87 under the Ukrainian classifier of goods of foreign economic activity, which are supplied into Ukraine by the exporters/importers that have been reported to forge preferential documents on origin of goods, or regarding which the foreign customs authorities have not confirmed preferential origin of second-hand vehicles already supplied, upon request of the State Customs Service.

In 2024, conference calls were conducted with the customs offices, which were then instructed to carry out continuous monitoring and analysis to control lawful application and provision of customs duty benefits.

With a view to increasing efficiency of control over customs duty benefits and preventing state budget losses, the State Customs Service has instructed the customs offices to analyse customs clearances for quarters I to III of 2024 by means of customs duty benefits.

Following the analysis, in particular, by the Lviv Customs Office, two cases of unlawful application of the benefit (the additional accrual and payment of the customs duties of 1,138,051 hryvnias were carried out based on the declarants’ requests), and once unlawful application of the benefit (the enterprise filed an application for amending the customs declarations and formed the adjustment sheet) were detected.

Moreover, based on the analysis of lawful application of benefits and preferences in customs clearance of goods, the customs offices took corresponding actions and additionally accrued the following customs duties: Mykolaiv — 909 thousand hryvnias, Zhytomyr — 173.1 thousand hryvnias, Lviv — 803.9 thousand hryvnias, Odesa — 668.4 thousand hryvnias, Mykolaiv — 909 thousand hryvnias, and Sumy — 287 thousand hryvnias.

In order to cancel the moratorium on documentary inspections of compliance with the Ukrainian legislation on customs affairs, including as to timely, reliable and complete accrual and payment of customs duties, during the martial law in Ukraine, on 20.03.2024, the Verkhovna Rada of Ukraine adopted Law of Ukraine No. 3613-IX “On Amending the Customs Code of Ukraine and Other Laws of Ukraine as to the Peculiarities of Customs Control and Customs Clearance of Specific Categories of Goods”, which provided for amendments to point 9-12 of Title XXI “Final and Transitional Provisions” of the Customs Code of Ukraine so that the customs authorities would be able to conduct documentary inspections of compliance with the Ukrainian legislation on customs affairs, including as to timely, reliable and complete accrual and payment of customs duties, from 01.05.2024.

The customs offices initiated post-customs control in pursuance of Law of Ukraine No. 3613 in the area “controlling tax benefits, complete and timely payment of customs duties” from 01.07.2024. Following the post-control, the declarants paid 1.1 million hryvnias of customs duties to the State Budget on a voluntary basis.

Moreover, Law No. 3926-IX amended the Customs Code of Ukraine as to the customs treatment of import in terms of the end use procedure.

In order to bring the preferential tax treatment model in line with the EU requirements, the Ministry of Finance has drafted a number of the laws to fulfil Ukraine’s commitments under the Association Agreement between Ukraine, of the one part, and the European Union, the European Atomic Energy Community and their Member States, of the other part, in particular:

“On Amending the Customs Code of Ukraine as to the Implementation of the Association Agreement between Ukraine, of the one part, and the European Union, the European Atomic Energy Community and

their Member States, of the other part, in Terms of Exemption from the Import Duty” (registration No. 5810 of 20.07.2021);

“On Amending the Tax Code of Ukraine as to the Peculiarities of Taxation with the Value-Added Tax on Operations of Importing Goods into the Customs Territory of Ukraine”.

However, Council Regulation (EC) No 1186/2009 setting up a Community system of reliefs from customs duty is going to be implemented by including its rules as a separate section into the new Customs Code of Ukraine, which still is being drafted.

5.3.2. Bringing the Ukrainian customs legislation in line with the EU acquis

The Ukrainian customs legislation is brought in line with the EU acquis in pursuance of Ukraine’s commitments under the Association Agreement between Ukraine, of the one part, and the European Union, the European Atomic Energy Community and their Member States, of the other part (hereinafter the “Association Agreement”), in terms of alignment of the Ukrainian customs legislation with the EU customs legislation pursuant to Annex XV to the Agreement and with due consideration of the need to ensure conformity of EU membership candidate to the criteria.

In pursuance of the National Strategy, the material amendments were made to the Customs Code of Ukraine in 2022 and 2023 in order to reach the European Standards and integrate into the EU single customs space: in particular, the procedure for drawing up customs declarations on the goods classified within one commodity item under the Ukrainian classifier of goods of foreign economic activity was regulated, it was made possible for all the reliable enterprises rather than AEOs only to use simplifications in customs formalities, the mechanism equivalent to the EU one for customs decisions, conformity assessment and monitoring as well as the rules for amending, reviewing, cancelling, and revoking decisions and applying the “right to be heard” was introduced, and the end use procedure was implemented etc. The amendments were also made in connection with use of customs declarations and the electronic transit system under the Convention on a common transit procedure.

The rules of Law No. 3926 adopted to bring the customs legislation in line with the EU acquis provide for the following without limitation:

- introduction of the customs representation concept equivalent to the one in effect in the EU countries;
- gradual transition to the authorisation system for customs brokers, customs warehouse holders, temporary storage warehouses and others (the unified system of criteria and conditions for all the customs authorisations (permits));

- introduction of the European model of classification of customs warehouse, and expansion of the list of permitted operations (customs warehouses are given an opportunity to broaden the range of their services);

- introduction of the European approach to application of tax treatment, in particular, application of authorisation to place goods under specific customs treatment, namely temporary import, processing in the customs territory, processing outside the customs territory, import (as a part of the end use procedure).

The work is under way to draft subordinate legal and normative acts.

In the latest European Commission’s EU Enlargement Report 2024 published on 30.10.2024, Chapter 29 “Customs union” is one of two negotiation chapters (together with the Chapter “Foreign, security & defence policy”) that have the highest appreciation: “high level” and “substantial progress”. Moreover, Ukraine also demonstrated the highest level of progress in the Chapter “Customs union” in comparison with the other EU candidates.

The Ministry of Finance, the State Customs Service, and the Reforms Delivery Office at the Ministry of Finance are drafting the new Customs Code of Ukraine with the support of their international partners, namely EU4PFM. The key area is to draft the restated Customs Code of Ukraine based on the EU Customs Code.

In order to arrange the drafting of the new Customs Code of Ukraine, Order of the Ministry of Finance No. 100 of 29.02.2024 “On Arranging the Work to Draft the New Customs Code of Ukraine” (as amended) was issued to establish: expert teams to prepare specific structural units of the new draft Customs Code of Ukraine, the coordination and organisational and technical teams and the expert support team for the translation of the EU acquis covered by the negotiation Chapter 29 “Customs union”.

The action algorithm was also approved for the team members. Each expert team was provided with operational and correlation tables to process more than 1,400 articles, including the key EU regulations. The basic vocabulary was prepared, and draft structural units were being prepared. The teams were made

of the representatives of the Ministry of Finance, the State Customs Service, EU4PFM experts, and team members of the Reforms Delivery Office at the Ministry of Finance.

5.3.3. Developing the law enforcement function of the customs authorities

Pursuant to the international commitments, in particular, in pursuance of the Memorandum for Economic and Financial Policy between Ukraine and the IMF, the efforts to reform the State Customs Service are focused on the areas of critical importance for reduction of corruption risks and enhanced anti-fraud capacity.

The amendments to the Criminal and Criminal Procedure Codes of Ukraine were made to impose criminal responsibility for smuggling goods and excise goods as well as unreliable declaration of goods.

On 09.12.2023, the Verkhovna Rada of Ukraine adopted Law of Ukraine No. 3513-IX “On Amending the Criminal Code of Ukraine (hereinafter the “CCU” and the Criminal Procedure Code of Ukraine to Criminalise Smuggling of Goods” (hereinafter “Law No. 3513-IX”), which supplemented the CCU with new Articles 201³ “Smuggling of goods”, 201⁴ “Smuggling of excise goods”, amended Articles 201, 201¹, and prescribed that the criminal offences under Articles 201¹, 201³, 201⁴ of the Criminal Code of Ukraine would be investigated by the BES.

Law No. 3513-IX introduced criminal responsibility for smuggling goods with the value of 7.57 to 15.14 million hryvnias as a fine of 170 to 425 thousand hryvnias, and with the value of more than 15.14 million hryvnias — from the fine of 850 thousand hryvnias to deprivation of liberty for 11 years with the confiscation of property. The penalty for smuggling excise goods with the value of 1.136 to 2.271 million hryvnias is a fine of 340 thousand hryvnias to 6 years of deprivation of liberty, and with the value of more than 2.271 million hryvnias — from the fine of 1.275 million hryvnias to imprisonment for 12 years with the confiscation of property.

According to Article 216 of the Criminal Procedure Code of Ukraine, pre-trial investigation of the criminal offences associated with the smuggling under Articles 201 and 305 of the CCU belongs to jurisdiction of the investigative security authorities, and the ones under Article 201² of the CCU — to the jurisdiction of the investigative bodies of the National Police.

Law No. 3513-IX entered into force on 01.01.2024 while its provisions on application of Article 201³ of the CCU entered into force on 01.07.2024.

Stricter responsibility for illegal movements of goods, including excise goods, across the customs border of Ukraine will have significant preventive and educational effects in the society and help reduce the level of deviant conduct among citizens.

Moreover, criminalisation of smuggling will prevent potentially unprincipled entities involved into the foreign economic activity from violating the legislation, given the strict punishment. In their turn, export and import operations carried out in accordance with the customs legislation will have a positive impact upon full payment of customs duties.

In order to revise the approaches to certain matters of applying administrative penalties for violation of the customs rules, to introduce a more flexible mechanism for imposing administrative responsibility for violation of the customs rules as well as modern European practices to fight customs offences in operations of the customs authorities of Ukraine, on 03.12.2024, the Verkhovna Rada of Ukraine adopted the draft Law of Ukraine “On Amending the Customs Code of Ukraine as to Certain Matters of Administrative Responsibility for Violating the Customs Rules” (registration No. 10257 of 13.11.2023) that had been prepared by the Ministry of Finance together with the State Customs Service, in the first reading. The draft is going to be considered by the Verkhovna Rada of Ukraine in the second reading.

In 2024, as a result of the analytical and search work and the activities performed by the customs authorities, 9,409 violation of the customs rules were detected, with the value of the offences of more than 18 billion hryvnias (the value was twice as high as in the same period in 2023). The customs offices considered 2,680 cases involving violation of the customs rules. The administrative penalty in the form of a fine was applied in the amount of 86.4 million hryvnias, including 78.7 million hryvnias collected to the state budget with due consideration of the cases considered during the previous period. The customs offices forwarded 5,306 cases involving violation of the customs rules for the amount of almost 18 billion hryvnias to court. Following the hearing, the courts imposed the penalties (confiscation of goods and fines) for the amount of 3.8 billion hryvnias.

179 million hryvnias received from the fines collected (imposed by the customs offices and court) and the confiscated property sold were transferred to the state budget. Also, based on the compromise in

the cases involving violation of the customs rules, almost 70 million hryvnias, which was equal to the amount of the fines, were transferred.

The work was performed in the area of the criminal offences associated with smuggling of goods. As a result of the actions taken to detect and terminate the criminal offences associated with smuggling of goods, 24 notices of the acts with attributes of the crime under Article 201⁴ of the CCU were sent by the customs authorities to the territorial subdivisions of the Bureau of Economic Security. Moreover, 10 notices of the acts with attributes of the crime under Article 201³ of the CCU were sent.

The State Customs Service overviewed the case law involving the cases with violation of the customs rules that had been instituted based on the attributes of the offence under Article 483 of the Customs Code of Ukraine as amended by the Law of Ukraine “On Amending the Customs Code of Ukraine and Other Laws of Ukraine to Regulate Certain Matters of Administration of Foreign Goods, Commercial Vehicles in the Customs Territory of Ukraine under Customs Control, and the Ones Illegally Imported into the Customs Territory of Ukraine”.

The training was conducted for the customs officials responsible for countering customs offences, with due consideration of the amendments made to the Customs Code of Ukraine as to certain matters of administrative responsibility for violation of the customs rules. Thus, from January to June 2024, the Specialised Training and Dog Department organised advance training of 908 customs officials authorised to detect and terminate violation of the Ukrainian customs legislation, with due consideration of the amendments made to the Customs Code of Ukraine.

The additional reforms include granting the customs authorities the status of law enforcement authorities and centralising information technologies and the infrastructure until the middle of 2026. The State Customs Service is drafting corresponding laws.

PROGRESS OF THE IMPLEMENTATION OF THE ACTION PLAN FOR THE IMPLEMENTATION OF THE NATIONAL STRATEGY IN 2024

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
4.2. “TAX ADMINISTRATION”												
4.2.1 “ENHANCING INTEGRITY”												
4.2.1(a) “Anti-corruption programme, and combating corruption”												
Prevention and elimination of corruption risks in operations of the STS have been ensured	1. The Anti-Corruption Programme of the STS for 2023–2025 and the actions under the Risk Register have been implemented.	State Tax Service	2023–2025 (annually)	In progress (Implemented in 2024)	Reports on the implementation of the Anti-Corruption Programme of the State Tax Service for 2023-2025 for 2023 and 2024 have been posted on the web portal of the STS in the section “Operations / Prevention of corruption / Results of the work performed to prevent and detect corruption” (https://tax.gov.ua/diyalnist/-zapobigannya-proyavam-korupts/rezultati-roboti/).	2024	2025					
Prevention and elimination of corruption risks in operations of the STS have been ensured	2. The Anti-Corruption Programme of the STS for 2023–2025 has been updated based on the new corruption risks identified, including following the Global Survey	State Tax Service	Once every two years, or more often where necessary	In progress (Implemented in 2024)	The Anti-Corruption Programme of the State Tax Service of Ukraine for 2023-2025 was approved by Order of the STS No. 221 of 10.04.2023 (hereinafter the “Anti-Corruption Programme of the STS”). The Anti-Corruption Programme of the STS was amended by Orders of the STS No. 639 of 07.08.2023 and No. 265 of 09.04.2024. Moreover, the STS analysed the Report on the Global Survey for Assessment of Operations of the STS by Tax Payers “Ukraine: 2024 Tax Compliance Cost Survey”. As the Risk Register within the Anti-Corruption Programme of the STS already covered the functions and procedures of the STS studied in the Global Survey for Assessment of Operations of the STS by Tax Payers, and no other information on identification of corruption risks was specified, the Anti-Corruption Programme of the STS did not have to be amended following the Global Survey.	2024	If necessary	2026	If necessary	2028	If necessary	2030
Prevention and elimination of corruption risks in operations of	3. The efficient anti-corruption strategy has been introduced	State Tax Service	Once every three years starting from 2026	Not due yet	Not due yet.			2026			2029	

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
the STS have been ensured	and updated; in particular, the anti-corruption acts have been developed, and the tax legislation has been improved.											
Efficiency of anti-corruption activities of the STS has been assessed	4. The Anti-Corruption Programme of the STS for 2023–2025 has been amended to determine the performance and efficiency criteria (based on the specific indicators) of implementation of the programme.	State Tax Service	2024	Implemented	Order of the STS No. 265 of 09.04.2024 “On Amending the Order of the STS No. 221 of 10.04.2023” was issued to amend the Anti-Corruption Programme of the STS for 2023-2025 to determine the performance and efficiency criteria.	2024						
Efficiency of anti-corruption activities of the STS has been assessed	5. Implementation of anti-corruption activities of the STS has been assessed based on the efficiency and performance indicators.	State Tax Service	2026	Not due yet	Not due yet.			2026				
Efficiency of anti-corruption activities of the STS has been assessed	6. The public has been informed of annual outcomes and assessment of implementation	State Tax Service	2026	In progress (Implemented in 2024)	Reports on the implementation of the Anti-Corruption Programme of the State Tax Service for 2023-2025 for 2023 and 2024 have been posted on the web portal of the STS in the section “Operations / Prevention of corruption / Results of the work performed to prevent and detect corruption” (https://tax.gov.ua/diyalnist/-zapobigannya-	2024	2025	2026				

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
	of the Anti-Corruption Programme of the STS for 2023–2025, and the information has been posted on the web portal of the STS etc.				proyavam-korupts/rezultati-roboti/).							
The Action Plan for Implementing the Anti-Corruption Programme of the STS for 2023–2025 has been developed, approved and implemented.	7. The Action Plan for Implementing the Anti-Corruption Programme of the STS for 2023–2025 has been developed, approved and implemented.	State Tax Service	In 2024–2026 Note: the progress is updated annually	In progress (Implemented in 2024)	Order of the STS No. 217 of 12.03.2024 “On Approving the Action Plan for the Implementation of the Anti-Corruption Programme of the State Tax Service for 2023-2025 in 2024-2025” was issued. The Report on implementation of the Anti-Corruption Programme of the State Tax Service Ukraine for 2023-2025 in 2024-2025 has been posted on the web portal of the STS at the link. https://tax.gov.ua/diyalnist/-zapobigannya-proyavam-korupts/rezultati-roboti/865522.html	2024	2025	2026				
The action plan for eliminating the defects detected as a result of the survey of tax payers’ opinions on the anti-corruption activities of the STS within the Global Survey for Assessment of Operations of the STS by Tax Payers has been developed and made public	8. The action plan for eliminating the defects detected as a result of the survey of tax payers’ opinions on the anti-corruption activities of the STS within the Global Survey for Assessment of Operations of the STS by Tax Payers has been developed and made public	State Tax Service	Continuously starting from 2025 (once every two years)	Not due yet	The Report on the Global Survey for Assessment of Operations of the STS by Tax Payers “Ukraine: 2024 Tax Compliance Cost Survey” has been analysed. The Action Plan for eliminating the defects detected as a result of the survey of tax payers’ opinions on the anti-corruption of the STS within the Global Survey for Assessment of Operations of the STS by Tax Payers in 2024 has been drafted.		2025		2027		2029	

4.2.1(b) “Raising the level of public trust, and creating the positive image of the STS”

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
The quality of services and problems occurring in operations of the STS have been studied on a regular basis, and the findings of such survey have been published	9. The Global Survey for Assessment of Operations of the STS by Tax Payers in 2024 and 2026 has been conducted with the World Bank's support.	State Tax Service	In 2024 and 2026	In progress (Implemented in 2024)	In 2024, the Global Survey for Assessment of Operations of the STS by Tax Payers in was conducted with the World Bank's support. In particular, the notice of the independent Global Survey was posted on the STS web portal in the News section. The text of the invitation to the Global Survey was also posted in the sections "Incoming/outgoing documents" in the private part of the Electronic Account (the invitations were sent to the taxpayers on 29.04.2024, 13.05.2024, 20.05 – 21.05.2024 and 28.05.2024 respectively). Report on the Global Survey for Assessment of Operations of the STS by Tax Payers "Ukraine: 2024 Tax Compliance Cost Survey" posted (on 31.12.2024) on the web portal of the STS at https://tax.gov.ua/media-tsentr/novini/855790.html	2024		2026				
The quality of services and problems occurring in operations of the STS have been studied on a regular basis, and the findings of such survey have been published	10. Starting from 2027, the independent survey for assessment of operations of the STS is conducted once every two years.	State Tax Service	Starting from 2027, once every two years	Not due yet	Not due yet.				2027		2029	
The quality of services and problems occurring in operations of the STS have been studied on a regular basis, and the findings of such survey have been published	11. Findings of independent surveys have been published on the web portal of the STS.	State Tax Service	Starting from 2027, once every two years	Not due yet	Not due yet.				2027		2029	
The guideline on	12. The	State Tax	During	Implemented	Order of the STS No. 794 of 31.10.2024 "On	2024						

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
assessing the actions taken following implementation of the action plan for raising trust in the STS has been developed.	guideline on assessing the actions taken following implementation of the action plan for raising trust in the STS has been developed.	Service	2024		Approving the Guideline on Assessing the Impact of the Actions Taken in Pursuance of the Action Plan for Raising Trust in the STS.							
The action plan for raising trust in the STS in connection with resolution of the problems identified in operations of the tax authority, and raising trust in the tax service following the independent surveys has been developed and implemented	13. The action plan for raising trust in the STS in connection with resolution of the problems identified in operations of the tax authority, and raising trust in the tax service following the independent surveys has been developed and implemented	State Tax Service	Continuously starting from 2024 (once every two years)	In progress, but delayed	The working group on the Global Survey for Assessment of Operations of the STS by Tax Payers has been established by Order of the STS No. 791 of 28.09.2023 (as amended). In 2024, the work meetings on the Global Survey were held on 16.02.2024 and 12.06.2024 with the representatives of the World Bank, and on 19.03.2024 with the IMF's representatives. On 31.12.2024, the Report on the Global Survey was made public on the web portal of the STS. The Action Plan for Raising Trust in the STS still is being drafted based on the findings of the Global Survey.	2024		2026		2028		2030
Outcomes of the actions taken following implementation of the action plan for raising trust in the STS have been reported to the public.	14. The report on implementation of the action plan for raising trust in the STS has posted on the web portal of the STS.	State Tax Service	Continuously (annually) starting from 2025	Not due yet	Not due yet.		2025	2026	2027	2028	2029	2030
The actions taken following implementation of the action plan for raising trust in	15. The actions taken following implementation of the action plan for raising	State Tax Service	Annually	Not due yet	Not due yet.		2025	2026	2027	2028	2029	2030

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
the STS have been assessed	trust in the STS have been assessed.											
The actions taken following implementation of the action plan for raising trust in the STS have been assessed	16. The action plan for raising trust in the STS has been amended following the assessment, where necessary.	State Tax Service	If necessary	Not due yet	Deadline of the activity (where it needs to be performed) — at least 2025.		If necessary	If necessary	If necessary	If necessary	If necessary	If necessary
4.2.2 “INCREASING THE LEVEL OF COMPLIANCE WITH THE TAX LEGISLATION”												
4.2.2(a) “Tax risk (compliance risk) management”												
Guidelines as well as legal and normative acts and other legislative acts necessary for the functioning of the tax risk management system based on the RMS Concept have been developed and adopted in consultation with the Ministry of Finance	17. Guidelines as well as legal and normative acts and other legislative acts necessary for the functioning of the tax risk management system based on the RMS Concept have been developed and adopted in consultation with the Ministry of Finance	Ministry of Finance	During 2024	Implemented	Resolution of the Cabinet of Ministers of Ukraine No. 854 of 25.07.2024 “On Implementation of the Experimental Project of Operation of the Tax Risk (Compliance Risk) Management System in the State Tax Service” has been adopted. Orders of the STS were issued by the STS in consultation with the STS on 30.09.2024: - No. 704 “On Approving the Regulation on the Expert Commission of the State Tax Service for Application of the Tax Risk Management System”; - No. 705 “On Approving the Procedure for Developing the Tax Risk Data Sheet and Processing the Information Therein”; - No. 706 “On Approving the Guideline on Identification, Analysis and Assessment of the Tax Risk Degree”; - No. 707 “On Approving the Procedure for Processes of the Tax Risk Management System”.	2024						
The organisational structure of the STS, as necessary to introduce the tax risk management system, has been	18. The organisational structure of the STS has been developed and enacted in order to implement the risk	State Tax Service	During 2024	Implemented	In pursuance of Order of the STS No. 867 of 20.10.2023 “On Amending Order of the STS No. 22 of 14.01.2022”, the Tax Compliance Directorate has been established as a part of the Economic Analysis Department.	2024						

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
altered	management system.											
The organisational structure of the STS, as necessary to introduce the tax risk management system, has been altered	19. Highly qualified analytical specialists and IT professionals have been recruited for the subdivision responsible for introducing tax compliance in order to ensure faultless functioning of the tax risk management system in the STS.	State Tax Service	During 2024	Implemented	The actions have been taken to recruit staff to the subdivision responsible for tax compliance: 13 professionals from 22 full-time positions (59% of the headcount) have been appointed to ensure operation of the tax risk management system in the STS. The staff still are being recruited for the corresponding structural subdivision of the STS: the documents to appoint three employees are being prepared.	2024						
The organisational structure of the STS, as necessary to introduce the tax risk management system, has been altered	20. The Expert Commission of the STS on Application of the Tax Risk Management System has been established in the STS.	State Tax Service	During 2024	Implemented	Order of the STS No. 735 of 04.10.2024 "On Establishing the Expert Commission of the State Tax Service on Application of the Risk Management System" was issued to approve the composition of the Expert Commission of the State Tax Service on Application of the Risk Management System. The meetings of the Expert Commission of the State Tax Service on Application of the Risk Management System (hereinafter the "Expert Commission") were held on 07.11.2024, 06.12.2024 and 27.12.2024, and minutes No. 1-EK CYIIP of 07.11.2024, No. 2-EK CYIIP of 06.12.2024 and No. 3-EK CYIIP of 27.12.2024 were drawn based on the meeting results respectively.	2024						
The organisational structure of the STS, as necessary to introduce the tax risk	21. Tax risk management functions have been assigned to the corresponding	State Tax Service	During 2024	Implemented	Order of the STS No. 866 of 22.11.2024 "On Amending Order of the STS No. 92 of 04.02.2022 'On the Functions of the Structural Subdivisions of the Executive Office and Territorial Bodies of the STS'" was issued to establish tax risk management functions to the corresponding structural	2024						

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
management system, has been altered	structural subdivisions of the STS, and regulations on subdivisions, job descriptions of the employees have been brought into compliance.				subdivisions of the STS.							
The list of tax risks has been formed and kept up-to-date, and monitoring of identified tax risks has been introduced.	22. The list of tax risks has been formed and kept up-to-date, and monitoring of identified tax risks has been introduced.	State Tax Service	Continuously (annually) starting from 2024	In progress (Implemented in 2024)	On 27.12.2024, 102 tax risk data sheets included into the Action Plan for 2025 were considered and approved at the meeting of the Expert Commission, and the List of Tax (Compliance) Risks for 2025 was formed (minutes of the meeting No. 3-EK CYIP of 27.12.2024).	2024	2025	2026	2027	2028	2029	2030
The segment and sector compliance improvement plans have been developed, approved, introduced and reviewed annually, in accordance with the RMS Concept and the Procedure for Operation of the Tax Risk Management System in the STS.	23. The segment and sector compliance improvement plans have been developed, approved, introduced and reviewed annually, in accordance with the RMS Concept and the Procedure for Operation of the Tax Risk Management System in the STS.	State Tax Service	Continuously starting from 2024 (annually)	In progress, but delayed	On 27.12.2024, the General Plan of the State Tax Service of Ukraine for Improving Tax Risk Management from 01.01.2025 until 31.12.2026 and its elements, the Action Plan for 2025 and the Segment Plan for 2025 for the segment of Large Taxpayers were approved at the meeting of the Expert Commission (minutes of the meeting No. 3-EK CYIP of 27.12.2024). The plans were approved by Acting Head of the STS on 30.12.2024. Also, two sector plans were drafted: for the Construction and Tobacco Production.	2024	2025	2026	2027	2028	2029	2030
The general compliance	24. The general compliance	State Tax Service	Continuously (once)	In progress (Implemented)	On 27.12.2024, the General Plan of the State Tax Service of Ukraine for Improving Tax Risk	2024		2026		2028		2030

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
improvement plan as a complex document on identification, assessment, analysis and mitigation of tax risks has been developed, approved and introduced in accordance with the RMS Concept and the Procedure for Operation of the Tax Risk Management System in the STS.	improvement plan as a complex document on identification, assessment, analysis and mitigation of tax risks has been developed, approved and introduced in accordance with the RMS Concept and the Procedure for Operation of the Tax Risk Management System in the STS.		every two years) starting from 2024	in 2024)	Management from 01.01.2025 until 31.12.2026 and its elements, the Action Plan for 2025 and the Segment Plan for 2025 for the segment of Large Taxpayers were approved at the meeting of the Expert Commission (minutes of the meeting No. 3-EK CYIP of 27.12.2024). The plans were approved by Acting Head of the STS on 30.12.2024.							
The amendments to the legislation and subordinate legal and normative acts have been developed on the basis of the conclusions made as a result of processing of the segment and sector plans and the general improvement plan for 2024–2025 (in case the matters in need of legislative	25. The amendments to the legislation and subordinate legal and normative acts have been developed on the basis of the conclusions made as a result of processing of the segment and sector plans and the general improvement plan for 2024–2025 (in case the matters in need	Ministry of Finance	In 2025–2026 Note: this is not an annual activity. Deadline for the implementation of the activity — 2026	Not due yet	Necessity to amend the legislation will be considered following the implementation of the experimental project of operation of the tax risk (compliance risk) management system in the STS (pursuant to Resolution of the CMU No. 854 of 25.07.2024).			2026				

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
regulation are identified).	of legislative regulation are identified).											
Information technical means of supporting the tax risk management system, including the specialised system (automated tax risk management system) that is supposed to become an auxiliary tool to raise efficiency and quality of the process of detection and assessment of tax risks, ensure prompt and accurate processing of large volumes of information, and reduce impact of the human factor upon decision-making have been developed, tested and introduced	26. Information technical means of supporting the tax risk management system, including the specialised system (automated tax risk management system) that is supposed to become an auxiliary tool to raise efficiency and quality of the process of detection and assessment of tax risks, ensure prompt and accurate processing of large volumes of information, and reduce impact of the human factor upon decision-making have been developed, tested and introduced	State Tax Service	In 2024–2028 Note: this is not an annual activity. Deadline for the implementation of the activity — 2028	Not due yet	The STS drafted the terms of reference for the ATRMS approved by the letter of the Ministry of Finance No. 20020-03-62/93 of 02.01.2025. Moreover, the need to engage international technical assistance to implement the project has been established. In order to obtain the aid/support from the international technical assistance project “Public Finance Management Support Programme for Ukraine (EU4PFM)” (hereinafter the “EU4PFM”) in development of the ICS “ATRMS”, the proposals on the EU4PFM Action Plan for 2025 have been submitted.					2028		
Feedback from stakeholders regarding	27. The tax payers’ opinions on the effective	State Tax Service	Once every two years	In progress (Implemented in 2024)	In 2024, the Global Survey for Assessment of Operations of the STS by Tax Payers was conducted with the World Bank’s support, in particular, in	2024		2026		2028		2030

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
performance of the risk management system of the STS has been supported with the purpose to identify and immediately eliminate defects	risk management system of the STS (in particular, regarding efficiency and quality of control and inspection work) has been surveyed within the Global Survey for Assessment of Operations of the STS by Tax Payers.				connection with control and inspection work. The Report on the Global Survey was made public on 31.12.2024 on the web portal of the STS at the link https://tax.gov.ua/media-tsentr/novini/855790.html .							
Feedback from stakeholders regarding performance of the risk management system of the STS has been supported with the purpose to identify and immediately eliminate defects	28. Communication with stakeholders, namely the expert community, tax payers etc. has been ensured via workshops, awareness raising campaigns about outcomes of the general tax risk management improvement plan, segment (sector) compliance improvement plans for the	State Tax Service	On a continuous basis, every year	In progress (Implemented in 2024)	On 29.07.2024, the Plan for the Awareness Raising Campaign for the Implementation of the Experimental Project of Operation of the Tax Risk (Compliance Risk) Management System in the STS, which was made public on the web portal of the STS on 30.09.2024 was approved. (https://tax.gov.ua/media-tsentr/informatsiyni-kampanii/828525.html). In December 2024, the online meetings on the implementation of the experimental project of operation of the tax risk (compliance risk) management system were held for the senior executives of the STS and representatives of the civil society institutions and business associations, namely: the American Chamber of Commerce in Ukraine, the European Business Association, the Ukrainian Civil Society Organisation "Association of Taxpayers of Ukraine", the Ukrainian Chamber of Commerce and Industry, the Ukrainian Civil Society Organisation "Ukrainian League of Industrialists and Entrepreneurs", the Federation of Employers of	2024	2025	2026	2027	2028	2029	2030

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
	reporting period.				Ukraine, the Civil Union “Union of Ukrainian Entrepreneurs”, and the Business Ombudsman Council. Also, in 2024, the experts from the US Treasury's Office of Technical Assistance conducted the trainings for the senior executives of the STS (on 03.10.2024) and of the territorial bodies of the STS (on 04.10.2024) on tax risk management and introduction of tax compliance.							
Feedback from stakeholders regarding the performance of the risk management system of the STS has been analysed, and the measures of response to the defects detected and communicating on implementation thereof have been developed and introduced.	29. The information received at the level the Expert Commission of the STS has been analysed, and the measures of response to the defects detected and communicating on implementation thereof have been developed and introduced.	State Tax Service	Annually	In progress, but delayed	The constituent meeting of the Expert Commission was held on 07.11.2024 to initiate their operations (minutes of the meeting No. 1-EK CYIIP of 07.11.2024). The following matters were considered based on the agenda of the meetings of the Expert Commission on Application of the TRMS: 06.12.2024 — analysing the proposals made by the structural subdivisions of the STS on the draft action plan for 2025; considering the proposals on establishing the working groups to ensure development and implementation of the project to increase the large taxpayers’ compliance level, by means of the guidelines set out in Resolution of the Cabinet of Ministers of Ukraine No. 854 of 25.07.2024; coordinating the work to improve compliance of large taxpayers; considering the proposals on developing additional segment (sector) plans (minutes of the meeting No. 2-EK CYIIP of 06.12.2024); 27.12.2024 — considering and approving: tax risk data sheets; the General Plan of the State Tax Service of Ukraine for Improving Tax Risk Management from 01.01.2025 until 31.12.2026; the Action Plan for 2025; the Segment Plan for 2025 for the segment of Large Taxpayers (minutes of the meeting No. 3-EK CYIIP of 27.12.2024).	2024	2025	2026	2027	2028	2029	2030
Qualifications of the STS staff and professional skills necessary to	30. Qualifications of the STS staff and professional	State Tax Service	Continuously starting from 2024 (annually)	In progress (Implemented in 2024)	On 17.09.2024, the Themed Plan for Internal On-the-Job Training of the Civil Services of the STS in the Vocational Training System for 2024 (as amended) (hereinafter the “Themed Plan”), which included	2024	2025	2026	2027	2028	2029	2030

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
perform their functions, with due consideration of the requirements of the tax risk management system, have been advanced	skills necessary to perform their functions, with due consideration of the requirements of the tax risk management system, have been advanced				internal compliance training, was approved. 17 online trainings on compliance were held from October to December 2024 within the Themed Plan. In particular, the experts from the US Treasury's Office of Technical Assistance (hereinafter the “US Treasury’s OTA”) conducted the trainings for the senior executives of the STS (on 03.10.2024) and of the territorial bodies of the STS (on 04.10.2024) on tax risk management and introduction of tax compliance. Also, the experts from the US Treasury’s OTA conducted educational online trainings on those matters for the professionals of the STS involved into tax (compliance) risk management in the STS in November 2024. At the same time, in 2024, the internal lecturers (trainers) of the STS organised the educational class on “Tax compliance — present-day necessity in organisation of work with taxpayers to ensure fulfilment of their tax obligations” and the educational class on introduction of tax risk management. Moreover, in November and December 2024, the State Tax University organised the training for 865 civil servants from the territorial bodies of the STS bodies based on the communicated needs, and made agreements on the educational services under general short-term programmes and general professional certificate programmes.							
The STS has been granted access to bank secret, secret of the payment service provider on the volume and flow of funds/electronic money on accounts.	31. The STS has been granted access to bank secret, secret of the payment service provider on the volume and flow of funds/electronic money on accounts.	State Tax Service	In 2025–2027, after the other activities are implemented	Not due yet	This activity is expected to be implemented following the actions taken to develop and improve the information protection system in the STS in accordance with the corresponding sections of the National Revenue Strategy until 2030.		After the implementation of the activities mentioned in 4.2.3(b)	After the implementation of the activities mentioned in 4.2.3(b)	After the implementation of the activities mentioned in 4.2.3(b)			
4.2.2(b) “Improving the processes of organising and conducting documentary and actual inspections”												

4.2.2(b) "Improving the processes of organising and conducting documentary and actual inspections"

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
The methods of inspecting how tax payers comply with the tax legislation in general and individual methods on reliability inspections, full accrual and payment of taxes and levies (for each individual tax, levy) have been improved	32. The methods of inspecting how tax payers comply with the tax legislation in general and individual methods on reliability inspections, full accrual and payment of taxes and levies (for each individual tax, levy) have been improved	State Tax Service	In 2023–2027 Note: the progress is updated annually	In progress (Implemented in 2024)	In order to ensure quality presentation of evidence base in inspection reports, the STS has developed and approved the corresponding guidelines, namely: Methodology for checking reliability, completeness of accrual and deduction of the tax on the income gained by the non-resident in Ukraine, paid by the resident legal persons (Order of the STS No. 300 of 01.05.2023); Methodology for checking reliability, completeness of accrual and timely payment of the individual income tax, the single contribution to the compulsory state social insurance, and the military duty (Order of the STS No. 322 of 04.05.2023); Methodology for checking the general rules of the tax and other legislation of Ukraine to be controlled by the tax authorities (Order of the STS No. 444 of 09.06.2023); Methodology for checking reliability, completeness of accrual and payment of the income tax (Order of the STS No. 445 of 09.06.2023); Methodology for checking reliability, completeness of accrual and payment of the value added tax (Order of the STS No. 446 of 09.06.2023); Methodology for checking reliability, completeness of accrual and payment of the (Order of the STS No. 831 of 09.10.2023); Methodology for checking reliability, completeness of accrual and payment of other taxes and levies controlled by the tax authorities (Order of the STS No. 231 of 18.03.2024). Materials of documentary inspections are analysed on a regular basis and based on the defects identified in the organisation, process, execution and implementation of results of specific inspections. Review letters are sent to the territorial subdivisions of the STS to eliminate the defects. Conformity of materials of inspections to the legislative rules is also analysed. Actions are taken to analyse reasons for revocation in appeal and judicial proceedings.	2024	2025	2026	2027			

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					Analytical materials are collected to be used in development and improvement of guidelines on controls and inspections.							
The IT solution to process data of the standard audit file (SAF-T UA) has been developed, tested and introduced, namely the following:	33. Since 2025 — IT solutions to process SAF-T UA data for large tax payers (launch of the E-audit system) have been implemented.	State Tax Service	Note: this is not an annual activity. Deadline for the implementation of the activity — 2025	Not due yet	<p>In order to introduce electronic audit (E-audit):</p> <ul style="list-style-type: none"> - with the support by the EU4PFM, XSD file (XML Schema Definition) has been developed for the standard audit file (SAF-T UA) and posted on the website of the STS to be used in modification of the payer accounting systems in connection with formation of SAF-T UA; - the ICS “Electronic Account” has been modified to enable upload of the SAF-T UA by taxpayers. <p>Following the international bidding procedures for development of software for E-Audit ICS conducted by the Central Project Management Agency (CPMA, Republic of Lithuania), the Contract of 14.09.2023 (hereinafter the “Contract”) was concluded with the winner (AMEDIA LLC, the Contractor). The Project Charter under the Contract as well as the Operational Procedure and the Composition of the Working Group on creation of the intellectual property item, i.e. the software of the ICS for electronic audit “E-audit”, as well as development of the IIPS within the EU4PFM Project and interaction with the service provider were approved (Order of the STS No. 953 of 15.11.2023).</p> <p>The Terms of Reference and the Design Architecture Procedure were developed and approved on 09.05.2024.</p> <p>Also, Amendment No. 2 to Contract No. 2024/4-3-448 of 09.08.2024 was approved and signed by the CPMA, the STS and AMEDIA LLC in 2024 (the deadline — 31.03.2025).</p> <p>On 10.12.2024, the subsequent necessary actions were approved as a part of the coordination meeting between the representatives of the EU4PFM, the EU Delegation to Ukraine, the CPMA, the Ministry of Finance, the STS, and AMEDIA LLC.</p> <p>The works under the Contract are in progress now (pursuant to Amendment No. 2).</p>		2025					

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
The IT solution to process data of the standard audit file (SAF-T UA) has been developed, tested and introduced, namely the following:	34. Starting from 2027 — IT solutions to process SAF-T UA data for all VAT payers have been introduced	State Tax Service	Note: this is not an annual activity. Deadline for the implementation of the activity — 2027	Not due yet	The IT solution to process SAF-T UA data for large taxpayers will be used to process SAF-T UA data for all the taxpayers being VAT payers, namely E-audit ICS.				2027			
The new algorithms/tests to analyse SAF-T UA data have been developed, and the existing ones have been improved.	35. The new algorithms/tests to analyse SAF-T UA data have been developed, and the existing ones have been improved.	State Tax Service	On a continuous basis (annually)	In progress (Implemented in 2024)	As of 01.01.2025, AMEDIA LLC had been provided with 227 tests and 74 algorithms. The developer is describing the tests provided by the STS in detail. In particular, 11 detailed tests (with the updated structure) have been provided to AMEDIA LLC in the regular course of business, under Contract No. 2023/4-3-251 of 14.09.2023 for development of the software of E-audit ICS. AMEDIA LLC was sent detailed descriptions of 40 tests (with the updated structure) in total in the letters of the STS of 01.07.2024 and 11.07.2024. Also, AMEDIA LLC was sent detailed descriptions of 32 tests out of the test list provided in October 2023 in total in the letter of the STS of 10.09.2024. The updated version of the standard audit file (SAF-T UA) V2.0 was posted on the web portal of the STS, whereof the message was sent to electronic accounts of large taxpayers. Moreover, large taxpayers were sent information letters of arranging the ZOOM or online meetings on SAF-T UA data processing. The work with the developer AMEDIA LLC as to the quality and content of the electronic product “E-audit” is in progress, and the demo version work is performed on a regular basis. AMEDIA LLC has been provided with 215 detailed test descriptions and 74 algorithms to improve the existing algorithms/tests. The conditional data for file development and design have been prepared and provided to the software	2024	2025	2026	2027	2028	2029	2030

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					developer AMEDIA LLC.							
Qualifications of the STS staff and professional skills necessary to perform their functions in electronic audit have been advanced. The need to train staff has been determined, training programmes/advance training programmes have been prepared, the STS staff have been trained on working in the information and communication system “E-audit” etc.	36. Qualifications of the STS staff and professional skills necessary to perform their functions in electronic audit have been advanced. The need to train staff has been determined, training programmes/advance training programmes have been prepared, the STS staff have been trained on working in the information and communication system “E-audit” etc.	State Tax Service	On a continuous basis, every year starting from 2024	In progress (Implemented in 2024)	<p>The STS keeps studying the need for professional training of civil servants, and the corresponding information is sent to the NACS.</p> <p>In order to study and introduce the best practices of international tax administration, in particular, in the field of electronic audit, the need to engage international experts from the IMF’s mission into training has been established. Also, the need for expert assistance from the international partners has been established within the project “Reforming the State Tax Service of Ukraine in 2024-2030”, namely: “Developing training/advance training programmes, training the STS staff on working in the information and communication system ‘E-audit’”, and “Improving qualifications of the STS staff and professional skills necessary to perform their functions in electronic audit”.</p> <p>The Themed Plan for Internal On-the-Job Training of the Civil Services of the STS in the Vocational Training System for December 2024 and January 2025 has been developed for the officials of the tax audit subdivisions of the territorial bodies of the STS. On 30.10.2024, the employees of the tax audit subdivision of the executive office of the STS and the tax audit subdivisions of the Inter-Regional Directorate for Large Taxpayers were trained on the Global practices of applying E-audit in documentary inspections.</p> <p>Following the actions taken to introduce the electronic audit (e-audit), based on the standard audit file (SAF-T UA) formed and submitted by large taxpayers to the regulatory authorities, the tax audit subdivision filled the Online Training section on the web portal of the STS with relevant information.</p>	2024	2025	2026	2027	2028	2029	2030
Legislative amendments on introduction of E-audit, in particular	37. Legislative amendments on introduction of E-audit, in particular	Ministry of Finance	In 2024–2027 Note: this is not an	Not due yet	In order to introduce the electronic audit, the legal and normative acts were amended during the previous years to reach necessary preconditions for the electronic audit (e-audit) procedure to be introduced, namely:				2027			

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
regarding mandatory submission of the standard audit file (SAF-T UA) by all the large tax payers and then by all the value-added tax payers, have been drafted. The subordinate legal and normative acts have been amended to be brought in line with the legislative amendments.	regarding mandatory submission of the standard audit file (SAF-T UA) by all the large tax payers and then by all the value-added tax payers, have been drafted. The subordinate legal and normative acts have been amended to be brought in line with the legislative amendments.		annual activity. Deadline for the implementation of the activity — 2027		<ul style="list-style-type: none"> - the form, structure and procedure for submitting the electronic documents of SAF-T UA to the regulatory authorities were determined, and point 85.2 of Article 85 of the Tax Code of Ukraine was supplemented with the duty of large taxpayers to furnish information in electronic format upon request of the tax authority during the documentary inspection; - the methods of reliability inspections, full accrual and payment of taxes and levies (for each individual tax, levy) have been developed and approved; <p>At the same time, the draft laws were registered with the Verkhovna Rada of Ukraine: “On Amending the Tax Code of Ukraine regarding Introduction of Electronic Inspections (E-Audit)” (registration No. 6255 of 02.11.2021) and “On Amending Article 9 of the Law of Ukraine ‘On Accounting and Financial Reporting in Ukraine’” (registration No. 6256 of 02.11.2021).</p> <p>The draft laws were included into the agenda of the eleventh session of the Verkhovna Rada of Ukraine of the ninth convention in accordance with Resolution of the Verkhovna Rada of Ukraine No. 3562-IX of 06.02.2024.</p>							
The software to digitalise formation of materials of actual inspections has been developed.	38. The software to digitalise formation of materials of actual inspections has been developed.	State Tax Service	In 2023–2025 Note: this is not an annual activity. Deadline for the implementation of the activity — 2025	Not due yet	<p>The Contract for procuring the services of supporting, maintaining and adapting the software of the ICS “Electronic Account” was concluded between the STS and Programika LLC (No. 45 of 27.06.2024).</p> <p>The order for formation of materials of actual inspections in electronic format in the ICS “Electronic Account” — the Auditor’s Account has been included into the Contract for procuring the services of supporting, maintaining and adapting the software of the ICS “Electronic Account” concluded between the STS and Programika LLC.</p> <p>On 26.12.2024, the testing of the adapted ICS “Electronic Account” was completed regarding formation of materials of actual inspections in electronic format in the ICS “Electronic Account” —</p>		2025					

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					the Auditor's Account (preliminary testing protocol No. 3/ID3825 of 26.12.2024), and it was put into test operation (statement of putting into test operation No. 3/ID3825 of 26.12.2024).							
The qualifications of the STS staff and professional skills necessary to perform their functions in digitalisation of materials of actual inspections have been improved. The need to train staff has been determined, training programmes/advance training programmes have been prepared.	39. The qualifications of the STS staff and professional skills necessary to perform their functions in digitalisation of materials of actual inspections have been improved. The need to train staff has been determined, training programmes/advance training programmes have been prepared.	State Tax Service	Continuously starting from 2024 (annually)	In progress (Implemented in 2024)	In December 2024, the testing of the adapted software of the ICS "Electronic Account" regarding formation of materials of actual inspections in electronic format into service was carried out by five employees of the actual inspection directorate of the STS and five employees of the main Directorate of the STS in Kyiv. The final number of testers will be determined at the software adaptation stage. As for the need for professional training of civil servants of the STS, the work is performed on a regular basis, and the corresponding information is sent to the NACS.	2024	2025	2026	2027	2028	2029	2030
Feedback from stakeholders regarding improvement of the processes of organising and conducting actual inspections in order to detect and eliminate defects has been supported:	40. The survey of tax payers' opinions on quality of controls and inspections in the STS has been conducted within the Global Survey for Assessment of Operations of the STS by Tax Payers.	State Tax Service	Once every two years	In progress (Implemented in 2024)	In 2024, the Global Survey for Assessment of Operations of the STS by Tax Payers was conducted with the World Bank's support, in particular, in connection with control and inspection work. The Report on the Global Survey was made public on 31.12.2024 on the web portal of the STS at the link https://tax.gov.ua/media-tsentr/novini/855790.html .	2024		2026		2028		2030
Feedback from	41. Communica	State Tax	On a	In progress	The STS performs awareness raising work among	2024	2025	2026	2027	2028	2029	2030

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
stakeholders regarding improvement of the processes of organising and conducting documentary and actual inspections in order to detect and eliminate defects has been supported:	tion with external stakeholders, the expert community, tax payers etc. has been ensured via the awareness raising campaign, training workshops, and promoting new methods and approaches to documentary and actual inspections.	Service	continuous basis, every year	(Implemented in 2024)	<p>taxpayers on a continuous basis. During the reporting year:</p> <ul style="list-style-type: none"> - 55 explanation letters on the creation and submission by taxpayers of the standard SAF-T audit file (SAF-T UA) were sent; - the online meeting with the representatives of the Public Association “UKRAINIAN FOOD RETAIL ALLIANCE” was conducted on the development and filling of the standard audit file (SAF-T UA) by large tax payers; - it took part in the work meeting with the Association of Ukrainian Banks (AUB) to discuss the introduction of E-audit by banks and non-bank financial institutions; - the online meeting with the European Business Association and its companies was held in Zoom. <p>The STS cooperates with the IMF’s experts, the experts and the Steering Committee of the EU4PFM, the representatives of the US Treasury’s OTA, the World Bank Mission, and the representatives of the State Revenue Service of the Republic of Latvia.</p> <p>In order to raise taxpayers’ awareness of the creation and submission of the standard audit file (SAF-T UA), they are regularly informed by posting corresponding information on the website of the STS. The most frequent questions taxpayers have about the creation and submission of the standard audit file (SAF-T UA) can be found in the section “Explanations. FAQs” here: https://tax.gov.ua/banervi/saf-t-ua/rozyasnennya--pitannya-vidpovidi/.</p> <p>In 2024, the STS signed the Memoranda with 24 large payers on their participation in the experiment of introducing the e-audit procedure, which consented to create and send the standard audit file (SAF-T UA) to the STS for test processing. More agreements (Memoranda) are going to be concluded with other large taxpayers.</p> <p>Also, in order to support the awareness raising campaign on introduction of the electronic audit</p>							

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					concept “E-audit” into the Electronic Account ICS, 1,472 large taxpayers included into the register of large taxpayers for 2025 have been sent information messages of the format of and procedure for submitting electronic documents (information) formed upon request of the regulatory authority. Also, the STS professionals supported by the EU4PFM arranged and held five ZOOM conferences with large taxpayers and representatives of the Taxpayer Associations, the business community and IT companies on the creation and submission of the standard audit file SAF-T UA.							
4.2.2(c) “Automating the procedures for tax control over transfer pricing”												
The software of the ICS “Automated system for handling large data sets to analyse transfer pricing risks” has been developed, tested, and implemented.	42. The software of the ICS “Automated system for handling large data sets to analyse transfer pricing risks” has been developed, tested, and implemented.	State Tax Service	During 2024	Implemented	The ICS “Automated system for handling large data sets to analyse transfer pricing risks” has been created with the support by the EU4PFM. In 2024, trial operation of the software of the ICS “Automated system for handling large data sets to analyse transfer pricing risks” was carried out (operational test protocol No. ID3683/ID4065 of 26.07.2024, work (trial operation) completion report No. ID3683/ID4065 of 26.07.2024). The system was put into permanent operation in accordance with Order of the STS No. 809 of 06.11.2024 “On Putting into Permanent Operation the Information and Communication System ‘Automated system for handling large data sets to analyse transfer pricing risks’”.	2024						
Training on working in the ICS “Automated system for handling large data sets to analyse transfer pricing risks” has been conducted	43. Training on working in the ICS “Automated system for handling large data sets to analyse transfer pricing risks” has been conducted	State Tax Service	In 2024–2025 Note: the progress is updated annually	In progress (Implemented in 2024)	On 24.07.2024, the joint online training was held for the territorial bodies of the STS and the developer’s representatives on the principal modes of the ICS “Automated system for handling large data sets to analyse transfer pricing risks” (records No. 50/99-00-23-II of 24.07.2024). The developer of the ICS “Automated system for handling large data sets to analyse transfer pricing risks” provided the training videos on how to work with the software. On 26.12.2024, the online training on working with Big data TP was held (letter of invitation of the	2024	2025					

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					territorial bodies of the STS No. 35887/7/99-00-23-02-01-07 of 25.12.2024) was held. The territorial bodies of the STS were sent the following with the letter of the STS of 27.12.2024: the user manual on Big data TP; the presentation materials on operation of Big data TP; online training records No. 69/99-00-23-II of 26.12.2024.							
4.2.2(d) “Exchanging information for tax purposes”												
The OECD Global Forum regarding the maturity of the information security management system received a positive feedback	44. The OECD Global Forum regarding the maturity of the information security management system received a positive feedback	State Tax Service	During 2024	Implemented	On 26.12.2024, the STS received the Report on Maturity of Information Security Management System in Ukraine approved by the OECD Global Forum following the assessment of information privacy and protection for the purposes of automatic information exchange. The corresponding information notice was posted on the web portal of the STS and the Facebook page of the STS. The information on considering soft recommendations given by the OECD Global Forum in connection with the Report on Maturity of Information Security Management System in Ukraine and the need to develop the information security guideline has been prepared.	2024						
The ICS “Exchanging information with foreign competent authorities” followed by integration into the ICS of the STS has been developed, tested and introduced	45. The ICS “Exchanging information with foreign competent authorities” followed by integration into the ICS of the STS has been developed, tested and introduced	State Tax Service	In 2024–2026 Note: this is not an annual activity. Deadline for the implementation of the activity — 2026	Not due yet	With the support of the EU4PFM experts, the STS has developed the Concept note of creating the intellectual property item — the information and communication system “Exchanging information with foreign competent authorities” (hereinafter the “Concept Note”). The Concept Note was sent to the Central Project Management Agency (CPMA) in letter of the STS No. 1861/5/99-00-16-01-01-05 of 08.02.2024. The Technical and Functional Specification of the intellectual property item — the information and communication system “Exchanging information with foreign competent authorities” is being developed with the support of the EU4PFM experts. The work meetings have been conducted: - with participation of the interested subdivisions of the STS on developing the Technical Specification and BPMN schemes of the process “Exchanging			2026				

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					information with foreign competent authorities”; - with representatives of the US Treasury’s Office of Technical Assistance on the creation and introduction of the ICS “Exchanging information with foreign competent authorities”. Following the meeting, the marketing plan (document) is being developed with the support of the representatives of the US Treasury’s Office of Technical Assistance. On 19.12.2024, the working group was established to process the draft Technical Specification of the intellectual property item — the ICS “Exchanging information with foreign competent authorities”. The draft Technical Specification is being modified by the working group members as to functions of each role to be assigned by the system, and the procedures for preparing and approving information exchange requests.							
Submission of reports of the taxpayers being residents of Ukraine (parent companies) by countries has been controlled, and analysis of completeness and reliability of information therein has been ensured.	46. Submission of reports of the taxpayers being residents of Ukraine (parent companies) by countries has been controlled, and analysis of completeness and reliability of information therein has been ensured.	State Tax Service	Continuously (annually) starting from 2024	In progress (Implemented in 2024)	The country-by-country reports submitted by the taxpayers being residents of Ukraine (parent companies) are analysed against the financial, tax and other reports received from the tax payers being members of international company groups. The data on distribution of revenues, taxes and business activities by countries have been compared with the information available in the ICS of the STS. In order to form the list of the taxpayers that have to submit the Country-by-Country Report of International Company Groups (hereinafter the “ICG Reports”), the Notifications on Participation in ICG (hereinafter the “Notifications”) filed by the taxpayers in the reporting year 2022 were analysed. The analysis of the Notifications shows that six taxpayers meet the criteria of subpoint 39.4.10 of point 39.4 of Article 39 of the Tax Code of Ukraine and are the parent companies of the ICG being residents of Ukraine. As of 02.01.2024, the ICG Reports were filed by six taxpayers that operated in different areas (oil and gas, electric energy, agriculture, railways, financial services etc.).	2024	2025	2026	2027	2028	2029	2030

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					<p>No facts of non-submission (untimely submission) of the ICG Reports by taxpayers for the reporting year 2022 were established. According to point 6 of Section V of the Procedure for Monitoring Controlled Transactions approved by Order of the Ministry of Finance No. 706 of 14.08.2015 (hereinafter "Procedure No. 706"), the information from the ICG Reports was analysed for its completeness, reliability and conformity to the requirements of subpoints 39.4.10 to 39.4.111 of point 39.4 of Article 39 of Section I of the Tax Code of Ukraine, and the differences between the information set out by the taxpayers in the ICG Reports and the information in the ICS of the STS were established. Moreover, it was established that three parent companies interacted with the participants of their group. The controlled transactions between the participants of one OCG were declared for the amount of more than 24,380 million hryvnias for 2022.</p> <p>Six taxpayers filed the amending ICG Reports and furnished explanations on the differences established.</p> <p>According to the amending ICG Reports, the total amount of the revenues declared was increased by 126 billion hryvnias (or 14%) and made 1,014 billion hryvnias, including revenues under the contracts made with related persons, which were 10 billion hryvnias (or 2% more) and equalled 407 billion hryvnias or 40% of the total revenues.</p> <p>Moreover, the losses were increased by 12.8 billion hryvnias (or 10%) and reached 140 billion hryvnias. The amendments were associated with the payers being residents of Ukraine.</p> <p>The indicators of the total income tax were increased insubstantially. Moreover, the amounts accrued were reduced by 0.2 billion hryvnias (or 1.5%) and made 16.0 billion hryvnias while the amounts paid were increased by 0.5 billion hryvnias (or 4%) and made 11.3 billion hryvnias.</p>							

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					<p>According to point 7 of Section V of Procedure No. 706 (as amended), the ICG Reports were analysed for potential risks (risk indicators) of transfer pricing with due consideration of submission of the ICG Reports for the first time.</p> <p>The analysis results will be considered in tax control over transfer pricing when compliance of conditions of controlled transactions to the arm's length principle is established.</p> <p>Moreover, in December 2024, the ICG Reports for the financial year 2023 were filed by five taxpayers that operated in different areas (oil and gas, electric energy, agriculture, railways, production of other vehicles).</p> <p>As of 01.01.2025, the reports still are being analysed.</p>							
Reports by countries received from the partner states in order to raise the tax control level have been monitored	47. Reports by countries received from the partner states in order to raise the tax control level have been monitored	State Tax Service	Continuously (annually) after the OECD Global Forum	Not due yet	<p>The STS has successfully completed the assessment by the OECD Global Forum.</p> <p>The STS is ready for information exchange in legislative and technical terms.</p> <p>The rules of the fourth to seventh indents of subpoint 39.4.10 of point 39.4 of Article 39 of Title I of the Tax Code of Ukraine for submission of the CbC Reports by taxpayers are first applicable to the financial year starting from 1 January until 31 December of the year when the Multilateral Competent Authority Agreement on the Exchange of Country-by-Country Reports (hereinafter the "Multilateral CbC Agreement") enters into force with at least one foreign jurisdiction.</p> <p>According to the letter of the MFA of 26.08.2024, the Multilateral CbC Agreement entered into force on 04.07.2024. Therefore, the first reporting period will be the financial year 2024.</p> <p>According to paragraph 2 of Section 3 of the Multilateral CbC Agreement, a CbC Report is first to be exchanged no later than 18 months after the last day of that fiscal year, i.e. 01.04.2026.</p> <p>Therefore, Ukraine will receive the first CbC Reports as a part of international exchange approximately in 2026. In 2024, the country-by-country reports were</p>			2026	2027	2028	2029	2030

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					not received from the partner states under the Multilateral CbC Agreement. In 2024, the country-by-country reports were not received by the STS from the partner states under the Multilateral CbC Agreement.							
Monitoring of reports on reportable accounts under the Common Reporting Standard (CRS) that are received from the partner states in order to raise the level of tax control over tax liabilities of tax residents of Ukraine has been conducted	48. Monitoring of reports on reportable accounts under the Common Reporting Standard (CRS) that are received from the partner states in order to raise the level of tax control over tax liabilities of tax residents of Ukraine has been conducted	State Tax Service	Continuously (annually) after the OECD Global Forum	In progress (Implemented in 2024)	<p>The STS has successfully completed the assessment by the OECD Global Forum.</p> <p>At the same time, according to the requirements of Section 3 of the Multilateral CRS Agreement, the exchange of information with the partner states is carried out until 30 September of each year.</p> <p>As of 30 September 2024, the STS as a competent authority of Ukraine for the CRS services carried out the first international automatic exchange of CRS information.</p> <p>As of 19.11.2024, following the first CRS information exchange, the STS ensured receipt of information from 50 foreign jurisdictions; dispatch of information to 51 foreign jurisdictions.</p> <p>The STS is now taking actions to process and analyse (monitor) the information received on the balance on financial accounts, amounts credited (received) at the accounts in 2023, and to compare the information received with the tax declarations of the persons identified.</p> <p>In order to optimise the processes associated with processing of information on foreign financial assets of tax residents of Ukraine, the actions are taken to upgrade the subsystem “Automatic Exchange of Tax Information” as an element of the ICS “International Automatic Exchange of Information” (hereinafter the “AETI”).</p> <p>On 26-28 November 2024, the representatives of the STS took part in the international forum organised by the Intra-European Organisation of Tax Administrations (IOTA Forum) on the Use of Data from the Automatic Exchange of Information (AEOI), where the participants of the event studied the practices without limitation of Norway and Austria, which were on the list of the CRS</p>	2024	2025	2026	2027	2028	2029	2030

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					information exchange partners, in the field of processing of the CRS information received.							
Submission of reports on reportable accounts under the Common Reporting Standard (CRS) by the tax payers being residents of Ukraine (reporting financial institutions) has been controlled.	49. Submission of reports on reportable accounts under the Common Reporting Standard (CRS) by the tax payers being residents of Ukraine (reporting financial institutions) has been controlled.	State Tax Service	Continuously (annually) after the launch of the international exchange of reports on financial accounts with exchange partners	In progress (Implemented in 2024)	<p>In order to ensure due fulfilment of the requirements of the MCAA RCS by Ukraine, the awareness raising activities were conducted from January to December 2024 in order to inform the reporting financial institutions (hereinafter the “RFI”) of the requirements of the Common Reporting Standard (CRS). In particular, 292 explanatory responses to the taxpayers’ requests were given, and five explanatory documents and two information and explanations notifications on the web portal of the STS were posted in the CRS section.</p> <p>The STS continuously monitors submission of reports on reportable accounts under the Common Reporting Standard (CRS) by the taxpayers being residents of Ukraine (reporting financial institutions). Following the first reporting campaign, 97% of the agents fulfilled their duty to submit a report on reportable accounts under the Common Reporting Standard (CRS) when due. In total, during the first reporting campaign, the STS received and processed 3,754 reports, and 1,794 of them were accepted. Following the analytical activities, 54 reporting financial institutions that had probably failed to perform their duty to report on reportable accounts were detected.</p> <p>As of 26.12.2024, seven RFIs were included into the schedule plan for documentary inspections of taxpayers for 2025 posted on the web portal of the STS at https://tax.gov.ua/diyalnist/-/plani-ta-zviti-roboti-/853930.html.</p> <p>As for other 47 RFIs, the subdivisions responsible for controls and inspections are deciding whether unscheduled documentary inspections will be conducted.</p>	2024	2025	2026	2027	2028	2029	2030
4.2.2(e) “Improving the excise duty administration”												
The draft laws and subordinate and legal	50. The draft laws and subordinate	Ministry of Finance	In 2024–2025	Not due yet	The draft Law of Ukraine “On Amending the Tax Code of Ukraine as to the System of Electronic Administration of Fuel and Ethyl Alcohol Selling,		2025					

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
normative acts necessary to carry out legislative regulation of data on fuel owners in the automated system for controlling circulation of fuel and ethyl alcohol (the system of electronic administration of fuel and ethyl alcohol selling) have been developed.	legal and normative acts necessary to carry out legislative regulation of data on fuel owners in the automated system for controlling circulation of fuel and ethyl alcohol (the system of electronic administration of fuel and ethyl alcohol selling) have been developed.		Note: this is not an annual activity. Deadline for the implementation of the activity — 2025		and Improving Administration of the Excise Duty” was developed and approved by the central executive authorities; on 23.12.2024, it was submitted to the Government of Ukraine for consideration. The Draft Law was adopted on 14.01.2025 at the meeting of the Cabinet of Ministers of Ukraine and registered with the Verkhovna Rada of Ukraine (registration No. 12408 of 14.01.2025). Also, the proposals have been prepared to amend the Tax Code of Ukraine in terms of registration of the excise delivery note in accordance with the requirements of Law of Ukraine No. 3484-IX of 21.11.2023 “On the Minimum Oil and Oil Product Reserves” (hereinafter “Law No. 3484-IX”); to improve the system of electronic administration of fuel and ethyl alcohol selling in order to duly reflect data on the scope of fuel in the system, including by fuel owners; to amend Law No. 3484-IX to have bring it in line with the Tax Code of Ukraine.							
The IT solution has been introduced to improve the automated system for controlling circulation of fuel and ethyl alcohol.	51. The IT solution has been introduced to improve the automated system for controlling circulation of fuel and ethyl alcohol.	State Tax Service	In 2024–2025 Note: this is not an annual activity. Deadline for the implementation of the activity — 2025	Not due yet	The STS has prepared and duly approved the appendices to the order for development of the software of the algorithm to calculate the balance of the excise duty transferred by payers to electronic accounts within which the payer has the right to register requests for replenishing reserves of fuel and ethyl alcohol for the system of electronic administration of fuel and ethyl alcohol selling (letter of 30.04.2024). At the same time, the implementation of the activity to modify the software of the ICS of the STS to improve the system of electronic administration of fuel and ethyl alcohol selling will only be possible after the draft Law of Ukraine “On Amending the Tax Code of Ukraine as to the System of Electronic Administration of Fuel and Ethyl Alcohol Selling, and Improving Administration of the Excise Duty” and corresponding subordinate legal and normative acts are adopted.		2025					

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
The subordinate acts on introduction of the automated system for controlling circulation of alcohol drinks, tobacco products and liquids used in electronic cigarettes (electronic traceability, Law of Ukraine No. 3173-IX of 29 June 2023) have been developed.	52. The subordinate acts on introduction of the automated system for controlling circulation of alcohol drinks, tobacco products and liquids used in electronic cigarettes (electronic traceability, Law of Ukraine No. 3173-IX of 29 June 2023) have been developed.	Ministry of Finance	In 2024–2025 Note: this is not an annual activity. Deadline for the implementation of the activity — 2025	Not due yet	In pursuance of this activity, the Cabinet of Ministers of Ukraine adopted: on 26.04.2024, Resolution No. 466 “On Approving the Procedure for Keeping the Unified Register of Equipment for Preparation and Treatment of Tobacco, Tobacco Raw Materials, and Industrial Manufacturing of Tobacco Products”; on 24.05.2024, Ordinance No. 461-p “On Designating the State Enterprise ‘Ukraine Securities Printing Integrated Plant’ to Print Graphic Elements of Electronic Excise Duty Stamps”; on 04.10.2024, Resolution No. 1142 “Certain Matters of Establishment and Operation of the Electronic System for Circulation of Alcohol Drinks, Tobacco Products and Liquids Used in Electronic Cigarettes”; on 04.10.2024, Resolution No. 1143 “On Approving the Requirements for the Algorithm for Criteria for Formation of the Unique Group Identifier”; on 04.10.2024, No. 1144 “On Approving the Procedure for Executing the Excise Electronic Document and the Form of the Document”; on 04.10.2024, No. 1137 “On Approving the Procedure for Calculating the Excise Duty Amounts Due by the Economic Operators Being Manufacturers/Importers for the Unique Identifiers Formed”. The following orders of the Ministry of Finance were also approved: No. 99 of 29.02.2024 “On approving the forms of applications for registration of the equipment used to prepare and process tobacco, tobacco raw materials, and industrial production of tobacco products with the Unified Register of Equipment Used to Prepare and Process Tobacco, Tobacco Raw Materials, Industrial Production of Tobacco Products, for amending the data, for deleting the data from the Unified Register of Equipment Used to Prepare and Process Tobacco, Tobacco Raw Materials, Industrial Production of Tobacco Products”, which was		2025					

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					registered with the Ministry of Justice on 14.03.2024 under No. 382/41727; No. 433 of 09.09.2024 “On amending Order of the Ministry of Finance of Ukraine No. 359 of 25 April 2015 ‘On approving the form of the Declaration of Maximum Retail Prices of Excise Goods (Products), the Procedure for Executing and Submitting the Declaration of Maximum Retail Prices of Excise Goods (Products)’”, which was registered with the Ministry of Justice on 24.09.2024 under No. 1439/42784).							
The IT solutions necessary for operation of the Electronic system for controlling circulation of tobacco products, alcohol drinks and liquids used in electronic cigarettes have been introduced.	53. The IT solutions necessary for operation of the Electronic system for controlling circulation of tobacco products, alcohol drinks and liquids used in electronic cigarettes have been introduced.	Ministry of Digital Transformation	In 2024–2025 Note: this is not an annual activity. Deadline for the implementation of the activity — 2025	Not due yet	It is prescribed by point 2 of Resolution of the Cabinet of Ministers of Ukraine No. 1142 of 04.10.2024 that the operation of the software of the Electronic System has to be tested from 1 March until 31 December 2025 in accordance with the Procedure for Establishment and Operation of the Electronic System for Circulation of Alcohol Drinks, Tobacco Products and Liquids Used in Electronic Cigarettes approved with the resolution, on a voluntary and free basis, with participation of the economic operators that carry out production and/or import and/or wholesale and/or retail trade in the goods (products) labelled with graphic elements of electronic excise duty stamps. Moreover, the following was ensured during the reporting year: - upgrade (modification) of the software “Unified State Registration of Storage Locations” to bring the subsystem in line with the requirements of Law of Ukraine No. 481/95-BP (order of the STS of 18.01.2024); - upgrade (modification) of the subsystem “E-Excise” of the ICS “Single window for electronic reports” by creating the new mode “Returning the excise duty stamp to the Printing Integrated Plant” (order of the STS of 26.01.2024); - modification of the software used to keep the Unified Register of Equipment for Preparation and Treatment of Tobacco, Tobacco Raw Materials, and		2025					

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					Industrial Manufacturing of Tobacco Products in the ICS “Single window for electronic reports” (orders of the STS of 27.11.2023 and 12.03.2024); - upgrade (modification) of the software “Unified State Registration of Storage Locations” of the ICS “Single window for electronic reports” in terms of amendments to the algorithm for controlling the acceptance and creation of the application and forming an extract from the latest USR and the ICS of the STS (order of the STS of 17.04.2024).							
The operation of the Electronic system for controlling circulation of tobacco products, alcohol drinks and liquids used in electronic cigarettes have been ensured.	54. The operation of the Electronic system for controlling circulation of tobacco products, alcohol drinks and liquids used in electronic cigarettes have been ensured.	Ministry of Digital Transformation	Starting from 2025	Not due yet	It is prescribed by point 2 of Resolution of the Cabinet of Ministers of Ukraine No. 1142 of 04.10.2024 that the operation of the software of the Electronic System has to be tested from 1 March until 31 December 2025 in accordance with the Procedure for Establishment and Operation of the Electronic System for Circulation of Alcohol Drinks, Tobacco Products and Liquids Used in Electronic Cigarettes approved with the resolution, on a voluntary and free basis, with participation of the economic operators that carry out production and/or import and/or wholesale and/or retail trade in the goods (products) labelled with graphic elements of electronic excise duty stamps. At the same time, adaptation of the software of the Unified Register of Equipment for Preparation and treatment of Tobacco, Tobacco Raw Materials, and Industrial Manufacturing of Tobacco Products was adapted to the ICS “Single window for electronic reports” in the reporting year (the STS signed trial protocol No. ID 3816 of 23.02.2024 and Work Completion Report No. ID 3816/3872/3952 of 22.03.2024).		2025	2026	2027	2028	2029	2030
4.2.2(f) “Eliminating the issues associated with collection, transfer, storage and analysis of data on settlement operations”												
The technology of data transfer from cash registers to the STS has been improved, and	55. The technology of data transfer from cash registers to the STS has been	State Tax Service	During 2024	In progress, but delayed	In order to ensure modification of the technology of data transfer from the CRs and transfer of messages of receipt and results of electronic document validation from the CR DRS to the CRs, in 2023, the STS and the NBU, pursuant to the draft document “Technology of CR data storage and collection for	2024						

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
transfer of messages of receipt and results of electronic document validation from the cash register data exchange system to the cash register has been ensured	improved, and transfer of messages of receipt and results of electronic document validation from the cash register data exchange system to the cash register has been ensured				<p>the STS. Format of data packages for the exchange between the STS and the Information Acquirer”, performed the works to put into operation the software that would enable the transfer of messages of receipt and results of electronic document validation from the CR DRS to the CRs (hereinafter the “Validation Results”). In 2023 and 2024, the deployment of the test environment and testing of transfer of the Validation Results from the CR DRS to the CRs were ensured.</p> <p>In December 2024, the NBU informed the STS that five information acquirers of the data storage and collection system of CRs (hereinafter the “CR DSCS”) ensured processing and transfer of the Validation Results from the CR DRS of the STS to the CRs, and one information acquirer demonstrated technical readiness to process the Validation Results, but did not confirm its readiness to process such results in the productive environment of the CR DSCS due to non-readiness of one of the CR developers.</p> <p>Therefore, as the NBU performed the preparation works for receipt, transfer and processing of the Validation Results by all the information acquirers and the CRs operating within the CR DSCS, following the confirmation of readiness of all the participants of the process of receipt, transfer and processing of the Validation Results and approval of the updated version of the document “Technology of CR data storage and collection for the STS. Format of data packages for the exchange between the STS and the Information Acquirer”, the corresponding software will be put into operation.</p>							
The legislative amendments aimed at improving the procedures for collection, storage	56. The legislative amendments aimed at improving the procedures for collection,	Ministry of Finance	In 2024–2027 Note: this is not an annual activity.	Not due yet	In order to ensure the preparation of proposals on bringing the legal and normative acts on the matters of application of cash registers (hereinafter the “CRs”) in line with the legislative requirements, to eliminate the issues associated with registration of settlement operations by means of CRs, the Inter-Agency Working Group for Application of CRs				2027			

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
and analysis of data on settlement operations as well as to introduce the alternative (to the NBU's technology) way to protect and transfer the data formed by CRs to the STS have been drafted.	transfer, storage and analysis of data on settlement operations as well as to introduce the alternative (to the NBU's technology) way to protect and transfer the data formed by CRs to the STS have been drafted.		Deadline for the implementation of the activity — 2027		(hereinafter the "IWG ACR") was established by Order of the Ministry of Finance No. 251 of 20.05.2024. One of the focus areas of the IWG ACR is to draft the legislative amendments aimed at introducing the alternative (to the НБУ Bank's technology) way to protect and transfer the data formed by CRs to the STS.							
The ICS of the STS has been modified to enable receipt of cash register data in accordance with the new transfer procedure.	57. The ICS of the STS has been modified to enable receipt of cash register data in accordance with the new transfer procedure.	State Tax Service	Within a year upon introduction of the alternative procedure for transferring cash register data to the STS	Not due yet	Not due yet.					Within a year upon introduction of the alternative procedure for transferring cash register data to the STS		
The STS ICS has been finalised to complete the development of the analytical component of the cash register data exchange system as well as to detect and	58. The STS ICS has been finalised to complete the development of the analytical component of the cash register data exchange system as well	State Tax Service	During 2024	In progress, but delayed	The ICS of the STS has been modified to complete the development of the analytical component of the CR DRS with the support of the EU4PFM since 2023. On 18.10.2024, the Interim Trial Protocol and the Statement of Putting the Software "Modules of external request processing, analytical reporting and creation of OLAP cubes" of the System for Recording Cash Register Data of the ICS "Single window for electronic reports" into Trial Operation	2024						

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
eliminate causes of failure to process the data received from cash registers and e-cash registers	as to detect and eliminate causes of failure to process the data received from cash registers and e-cash registers				<p>was signed.</p> <p>The developer Intellect Soft LLC sent the letter of 08.11.2024 with the documents on transfer and acceptance of the services provided within the development of the software “Modules of external request processing, analytical reporting and creation of OLAP cubes” of the System for Recording Cash Register Data of the ICS “Single window for electronic reports”.</p> <p>On 08.11.2024, the software “Modules of external request processing, analytical reporting and creation of OLAP cubes” of the System for Recording Cash Register Data of the ICS “Single window for electronic reports” was put into operation (under the Work Completion Report of 08.11.2024).</p>							
4.2.2(g) “Enhancing the work with the tax debt of natural and legal persons”												
The procedure for collecting funds from debtors’ bank accounts has been improved by setting up information interaction between the STS and the State Treasury and banks regarding dispatch of electronic payment orders (collection orders) on involuntary debiting (collection) of funds from the payers’ bank accounts	59. The amendments to the subordinate legal and normative acts have been drafted.	Ministry of Finance	During 2024	Implemented	The Ministry of Finance issued Order No. 669 of 30.12.2024 to approve the Procedure for Information Interaction of the State Tax Service of Ukraine, the State Treasury Service of Ukraine and Payment Service Providers in Transfer of Payment Orders on Collection of Funds in Electronic Form, which was registered with the Ministry of Justice of Ukraine on 13.01.2025 under No. 66/43472.	2024						
The procedure for	60. The	State Tax	During	In progress,	As of 01.01.2025, the order for upgrading the ICS of	2024						

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
collecting funds from debtors' bank accounts has been improved by setting up information interaction between the STS and the State Treasury and banks regarding dispatch of electronic payment orders (collection on involuntary debiting (collection) of funds from the payers' bank accounts	mechanism for electronic interaction with payment service providers in formation by the STS bodies, dispatch and performance of payment orders on involuntary collection of funds from accounts of the tax payers with the tax debt has been developed, tested and introduced.	Service	2024	but delayed	the STS in terms of formation of payment orders on involuntary collection (recovery) of funds by the STS bodies and their transfer / receipt to / from payment service providers in electronic format was being drafted.							
The subsystem "Debt handling" of the ICS of the STS has been developed, tested and put into service.	61. The subsystem "Debt handling" of the ICS of the STS has been developed, tested and put into service.	State Tax Service	In 2024–2025 Note: this is not an annual activity. Deadline for the implementation of the activity — 2025	Not due yet	The draft order for developing the subsystem "Debt handling" of the ICS "Tax Block" is being processed.		2025					
Amendments to the legislation and subordinate legal and normative acts	62. Granting the tax authorities rights and obligations to classify	Ministry of Finance	Note: the deadline for the implementation of the	Not due yet	Not due yet.		After the implementation of the	After the implementation of the	After the implementation of the			

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
have been drafted	categories of debtors and set priorities for repayment of tax payers' tax debt		activity will follow the implementation of the activities mentioned in 4.2.3(b), 4.2.2(a), 4.2.2(b)				activities mentioned in 4.2.3(b), 4.2.2(a), 4.2.2(b)	activities mentioned in 4.2.3(b), 4.2.2(a), 4.2.2(b)	activities mentioned in 4.2.3(b), 4.2.2(a), 4.2.2(b)			
Amendments to the legislation and subordinate legal and normative acts have been drafted	63. Enabling repayment (collection) of the tax debt by the decision of the head of the STS body without a court decision	Ministry of Finance	Note: the deadline for the implementation of the activity will follow the implementation of the activities mentioned in 4.2.3(b), 4.2.2(a), 4.2.2(b)	Not due yet	Not due yet.		After the implementation of the activities mentioned in 4.2.3(b), 4.2.2(a), 4.2.2(b)	After the implementation of the activities mentioned in 4.2.3(b), 4.2.2(a), 4.2.2(b)	After the implementation of the activities mentioned in 4.2.3(b), 4.2.2(a), 4.2.2(b)			
Amendments to the legislation and subordinate legal and normative acts have been drafted	64. Enhancing administrative powers of the tax authorities regarding repayment of tax debt, freezing of accounts (assets) without a court decision etc.	Ministry of Finance	Note: the deadline for the implementation of the activity will follow the implementation of the activities mentioned in 4.2.3(b), 4.2.2(a), 4.2.2(b)	Not due yet	Not due yet.		After the implementation of the activities mentioned in 4.2.3(b), 4.2.2(a), 4.2.2(b)	After the implementation of the activities mentioned in 4.2.3(b), 4.2.2(a), 4.2.2(b)	After the implementation of the activities mentioned in 4.2.3(b), 4.2.2(a), 4.2.2(b)			

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
Amendments to the legislation and subordinate legal and normative acts have been drafted	65. Extending the period of limitation to collect the tax debt (from three to six years)	Ministry of Finance	Note: the deadline for the implementation of the activity will follow the implementation of the activities mentioned in 4.2.3(b), 4.2.2(a), 4.2.2(b)	Not due yet	Not due yet.		After the implementation of the activities mentioned in 4.2.3(b), 4.2.2(a), 4.2.2(b)	After the implementation of the activities mentioned in 4.2.3(b), 4.2.2(a), 4.2.2(b)	After the implementation of the activities mentioned in 4.2.3(b), 4.2.2(a), 4.2.2(b)			
Amendments to the legislation and subordinate legal and normative acts have been drafted	66. Introducing mandatory electronic correspondence with tax payers on the matters associated with notices of tax debt and application of the debt collection procedures prescribed by the Tax Code of Ukraine	Ministry of Finance	Note: the deadline for the implementation of the activity will follow the implementation of the activities mentioned in 4.2.3(b), 4.2.2(a), 4.2.2(b)	Not due yet	Not due yet.		After the implementation of the activities mentioned in 4.2.3(b), 4.2.2(a), 4.2.2(b)	After the implementation of the activities mentioned in 4.2.3(b), 4.2.2(a), 4.2.2(b)	After the implementation of the activities mentioned in 4.2.3(b), 4.2.2(a), 4.2.2(b)			
Amendments to the legislation and subordinate legal and normative acts have been drafted	67. Introducing the unlimited effect of the payment order (until the tax debt is fully repaid)	Ministry of Finance	Note: the deadline for the implementation of the activity will follow the implement	Not due yet	Not due yet.		After the implementation of the activities mentioned in	After the implementation of the activities mentioned in	After the implementation of the activities mentioned in			

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
			ation of the activities mentioned in 4.2.3(b), 4.2.2(a), 4.2.2(b)				4.2.3(b), 4.2.2(a), 4.2.2(b)	4.2.3(b), 4.2.2(a), 4.2.2(b)	4.2.3(b), 4.2.2(a), 4.2.2(b)			
Amendments to the legislation and subordinate legal and normative acts have been drafted	68. Simplifying the procedure for payment by instalments and deferral of tax liabilities/tax debt for legal and natural persons	Ministry of Finance	Note: the deadline for the implementation of the activity will follow the implementation of the activities mentioned in 4.2.3(b), 4.2.2(a), 4.2.2(b)	Not due yet	Not due yet.		After the implementation of the activities mentioned in 4.2.3(b), 4.2.2(a), 4.2.2(b)	After the implementation of the activities mentioned in 4.2.3(b), 4.2.2(a), 4.2.2(b)	After the implementation of the activities mentioned in 4.2.3(b), 4.2.2(a), 4.2.2(b)			
Amendments to the legislation and subordinate legal and normative acts have been drafted	69. Disclosing bank secret of availability and flow of funds on the debtor's account to the STS bodies	Ministry of Finance	Note: the deadline for the implementation of the activity will follow the implementation of the activities mentioned in 4.2.3(b), 4.2.2(a), 4.2.2(b)	Not due yet	Not due yet.		After the implementation of the activities mentioned in 4.2.3(b), 4.2.2(a), 4.2.2(b)	After the implementation of the activities mentioned in 4.2.3(b), 4.2.2(a), 4.2.2(b)	After the implementation of the activities mentioned in 4.2.3(b), 4.2.2(a), 4.2.2(b)			
The subsystem "Debt handling" of the ICS of the STS has been	70. The subsystem "Debt handling" of the ICS of the	State Tax Service	Note: the deadline for the implement	Not due yet	Not due yet. This activity will be implemented after the legislative amendments are made.					Followi ng the implem entation		

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
improved.	STS has been improved.		ation of the activity will follow the implementation of activity No. 3 herein.							of activity 3 set out in 4.2.2(g)		
Qualifications of the tax authority staff and professional skills necessary to perform their functions, with due consideration of the requirements of the tax debt management system, have been advanced.	71. Qualifications of the tax authority staff and professional skills necessary to perform their functions, with due consideration of the requirements of the tax debt management system, have been advanced.	State Tax Service	Continuously starting from 2024 (annually)	In progress (Implemented in 2024)	In order to advance their qualifications, the staff of the STS have taken part in the following: - in the working meeting with the counsellors from the US Treasury's Office of Technical Assistance in the field of tax debt management, as to the pilot project of improving the process of informing taxpayers (single contribution payers) of their tax debt in the payments controlled by the tax authorities, and the single contribution underpaid, via the System of the Contact Centre of the STS, Vienna (Republic of Austria); - in the course "Collecting Taxes and Managing Tax Debt" to study the fundamentals of efficient and effective tax payment and collection systems to mitigate the debt and also to repay the debt, including via advanced technologies and behavioural analysis, Vienna (Republic of Austria); - in the educational visit of the STS representatives on the following themes: Tax Debt Administration, Operational Risk Management, with the support of the international technical assistance project "Public Finance Management Support Programme for Ukraine (EU4PFM)", Vilnius (Republic of Lithuania); - in the IOTA Forum on Tax Debt Management "Step into the Future of Tax Debt Management with Cutting-Edge Technology" (Oslo (Kingdom of Norway)); - in the workshop on the theme "Developing Digital Services, and Servicing Clients in Tax Administration", which is implemented within the	2024	2025	2026	2027	2028	2029	2030

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					<p>project of the Eastern Partnership Academy of Public Administration of Lech Kaczyński National School of Public Administration (Warsaw (Republic of Poland)).</p> <p>In 2024, the corresponding educational materials on “Tax Debt Repayment Work” mostly focused on the target group made of officers (officials) of the STS bodies were posted on the web portal of the STS, in particular, in the sections “STS change management” and “Online training”. In particular, they were as follows: Procedure for applying the period of limitation under Article 102 of the Tax Code with due consideration of the legislative rules in effect since 18.03.2020 (16.01.2024); Deferring monetary liabilities (tax debt) within the effect of the Law of Ukraine “On Sanctions” (02.04.2024); Procedure for issuing the statement of no arrears in the payments controlled by the regulatory authorities (16.07.2024); Judicial proceedings in bankruptcy cases (22.10.2024); Tax debt! What tax debt can entail (23.12.2024).</p> <p>On 20.12.2024, the employees of the structural subdivisions of the executive office of the STS and its territorial bodies were conducted the training, in particular, for compliance managers and tax debt subdivisions, on the theme “Interacting with taxpayers with the high level of voluntary tax compliance on repayment of the tax debt and the single contribution debt”.</p>							
4.2.3 “DIGITALISATION AND DATA”												
4.2.3(a) “IT consolidation of information resources and administration thereof by the independent administrator”												
The 2025 Strategy for Digital Development, Digital Transformation and Digitisation of Public Finance Management as	72. The 2025 Strategy for Digital Development, Digital Transformation and Digitisation of Public Finance	Ministry of Finance	During 2024	In progress, but delayed	The Ministry of Finance has updated 2030 Strategy for Digital Development, Digital Transformation and Digitisation of Public Finance Management brought in line with the National Revenue Strategy until 2030 and approved by the interested authorities; it was sent to the Cabinet of Ministers of Ukraine for consideration with the letter of the Ministry of Finance of 21.02.2025.	2024						

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
approved by the Ordinance of the Cabinet of Ministers of 17 November 2021 No. 1467-p has been approved and brought in line with the National Revenue Strategy of Ukraine.	Management as approved by the Ordinance of the Cabinet of Ministers of 17 November 2021 No. 1467-p has been approved and brought in line with the National Revenue Strategy of Ukraine.											
The long-term STS Digital Development Plan until 2030 has been developed in accordance with the NRSU.	73. The long-term STS Digital Development Plan until 2030 has been developed in accordance with the NRSU.	State Tax Service	During 2024	Implemented	The Digital Development Plan of the State Tax Service until 2030 was approved with Resolution of the Committee on Management of Information Technologies of the Public Finance Management System (minutes No. 8 of 18.12.2024), enacted by Order of the Ministry of Finance of Ukraine No. 660 of 24.12.2024, and posted on the website of the Ministry of Finance of Ukraine.	2024						
The information security management system in the IT institution has been introduced, the standard ISO/IEC 27001:2005 has been introduced, and the certification audit of conformity of the information security management	74. The information security management system in the IT institution has been introduced, the standard ISO/IEC 27001:2005 has been introduced, and the certification audit of conformity of the information	Ministry of Finance	In 2024–2025 Note: this is not an annual activity. Deadline for the implementation of the activity — 2025	Not due yet	Not due yet. The activity will be implemented within updated 2030 Digital Development, Digital Transformation and Digitisation of Public Finance Management.		2025					

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
system to the requirements of the ISO standard has been conducted.	security management system to the requirements of the ISO standard has been conducted.											
The single information and communication system for the entities in the public finance management system has been developed.	75. The single information and communication system for the entities in the public finance management system has been developed.	Ministry of Finance	In 2024–2025 Note: this is not an annual activity. Deadline for the implementation of the activity — 2025	Not due yet	Not due yet. The activity will be implemented within updated 2030 Digital Development, Digital Transformation and Digitisation of Public Finance Management.		2025					
IT consolidation of information resources of the entities in the public finance management system, in particular, of the STS of the level of the Ministry of Finance has been ensured, and administration of these resources by the independent administrator (IT institution) has been ensured as well	76. IT consolidation of information resources of the entities in the public finance management system, in particular, of the STS of the level of the Ministry of Finance has been ensured, and administration of these resources by the independent administrator (IT institution)	Ministry of Finance	In 2025–2030 Note: this is not an annual activity. Deadline for the implementation of the activity — 2030	Not due yet	Not due yet. The activity will be implemented within updated 2030 Digital Development, Digital Transformation and Digitisation of Public Finance Management.							2030

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
	has been ensured as well											
4.2.3(b) “Data use security and access to information on the volume and flow of the tax payer’s funds on bank accounts”												
The concept of use of (personal) depersonalised information on tax payer by the tax authorities has been developed.	77. The concept of use of (personal) depersonalised information on tax payer by the tax authorities has been developed.	Ministry of Finance	During 2024	In progress, but delayed	In 2024, in order to develop the basic principles of the security policy for the use of (personal) depersonalised information on tax payers by the tax authorities, the Ministry of Finance and the STS held a number of meetings as a result of which the Ministry of Finance received the materials from the STS as the owner of the information (automated) systems necessary to develop the Concept of secure use of (personal) depersonalised information on tax payers. The materials still are being processed.	2024						
The Ukrainian legislation has been amended to introduce the rules for use of (personal) depersonalised information on tax payer by the tax authorities	78. The Ukrainian legislation has been amended to introduce the rules for use of (personal) depersonalised information on tax payer by the tax authorities	Ministry of Finance	In 2024–2025 Note: this is not an annual activity. Deadline for the implementation of the activity — 2025	Not due yet	Not due yet. The implementation of this activity depends on the activity to develop concept of use of (personal) depersonalised information on tax payer by the tax authorities.		2025					
The administrator of the IT platform to ensure operation of the separate secure path has been designated	79. The administrator of the IT platform to ensure operation of the separate secure path has been designated	Ministry of Finance	During 2024	Implemented	In accordance with Ordinance of the Cabinet of Ministers of Ukraine No. 1467-p of 17.11.2021, the State Institution “Open Public Finance” subordinated to the Ministry of Finance was designated the administrator of information systems, databases, information resources and registers; server and network equipment, other elements of IT infrastructure and IT resources in the public finance management system that were vested in the Ministry of Finance and central executive authorities, the activities of which were directed and coordinated by the Cabinet of Ministers of Ukraine through the Minister of Finance.	2024						

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
The separate secure path in the information and communication system of the public finance management system has been created, with coding (decoding) of currently open personal identifiers of tax payers in order to ensure functioning of information systems of the regulatory authorities in the mode of treatment of depersonified information on such tax payers.	80. The separate secure path in the information and communication system of the public finance management system has been created, with coding (decoding) of currently open personal identifiers of tax payers in order to ensure functioning of information systems of the regulatory authorities in the mode of treatment of depersonified information on such tax payers.	Ministry of Finance	In 2025–2026 Note: this is not an annual activity. Deadline for the implementation of the activity — 2026	Not due yet	Not due yet.			2026				
4.2.3(c) “Integrating the information and communication systems of the STS into the EU systems”												
Integration into the European systems for VAT, VAT refund, monitoring of excise goods flow has been ensured	81. Integration into the European systems for VAT, VAT refund, monitoring of excise goods flow has been ensured	State Tax Service	In 2024–2030 Note: this is not an annual activity. Deadline for the implementation of the activity —	Not due yet	The information on the algorithm, terms and procedures for integration with the EU IT systems was received at the explanatory meeting with the European Commission held on 29.05.2024 on the mixed format (Brussels, Kingdom of Belgium) on the screening of negotiation Chapter 16 “Taxation”. The interim integration activities and deadlines will be aligned with the Schedule of Commitments of Ukraine’s Accession to the EU after it is approved, following the comprehensive analysis of the explanatory materials on the algorithm for integration into the corresponding IT systems of the							2030

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
			2030		<p>EU, which will be provided by the competent entities of the European Commission.</p> <p>The demand for international material, financial and expert assistance from the international development partners for the project to be implemented has been determined.</p> <p>In its letter of 20.11.2024, the STS contacted the European Commission's Directorate-General for Taxation and Customs Union regarding the implementation of the EU acquis and IT systems. Also, in order to obtain the aid/support from the EU4PFM regarding integration into the EU systems, the proposals on the EU4PFM Action Plan for 2025 have been submitted.</p> <p>In December 2024, the STS analysed the following EU systems: Central Electronic System of Payment Information (CESOP) and Import One Stop Shop (IOSS). Based on the results of that analysis, the STS is identifying the needs in amending the legislative acts in force.</p>							
Connection of Ukraine to the system for security information exchange between the tax administrations of the EU countries has been ensured.	82. Connection of Ukraine to the system for security information exchange between the tax administrations of the EU countries has been ensured.	State Tax Service	In 2024–2030 Note: this is not an annual activity. Deadline for the implementation of the activity — 2030	Not due yet	<p>The information on the algorithm, terms and procedures for integration with the EU IT systems was received at the explanatory meeting with the European Commission held on 29.05.2024 on the mixed format (Brussels, Kingdom of Belgium) on the screening of negotiation Chapter 16 “Taxation”.</p> <p>The interim integration activities and deadlines will be aligned with the Schedule of Commitments of Ukraine's Accession to the EU after it is approved, following the comprehensive analysis of the explanatory materials on the algorithm for integration into the corresponding IT systems of the EU, which will be provided by the competent entities of the European Commission.</p> <p>The demand for international material, financial and expert assistance from the international development partners for the project to be implemented has been determined.</p> <p>In its letter of 20.11.2024, the STS contacted the European Commission's Directorate-General for</p>							2030

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					<p>Taxation and Customs Union regarding the implementation of the EU acquis and IT systems. Also, in order to obtain the aid/support from the EU4PFM regarding integration into the EU systems, the proposals on the EU4PFM Action Plan for 2025 have been submitted.</p> <p>In December 2024, the STS analysed the following EU systems: Central Electronic System of Payment Information (CESOP) and Import One Stop Shop (IOSS). Based on the results of that analysis, the STS is identifying the needs in amending the legislative acts in force.</p>							
Integration into the Cross-border Business-to-Consumer (B2C) e-commerce, the Central Electronic System of Payment information (CESOP) has been ensured in order to identify possible VAT fraud in e-commerce by the sellers created in other Members States or non-EU countries	83. Integration into the Cross-border Business-to-Consumer (B2C) e-commerce, the Central Electronic System of Payment information (CESOP) has been ensured in order to identify possible VAT fraud in e-commerce by the sellers created in other Members States or non-EU countries	State Tax Service	In 2024–2030 Note: this is not an annual activity. Deadline for the implementation of the activity — 2030	Not due yet	<p>The information on the algorithm, terms and procedures for integration with the EU IT systems was received at the explanatory meeting with the European Commission held on 29.05.2024 on the mixed format (Brussels, Kingdom of Belgium) on the screening of negotiation Chapter 16 “Taxation”.</p> <p>The interim integration activities and deadlines will be aligned with the Schedule of Commitments of Ukraine’s Accession to the EU after it is approved, following the comprehensive analysis of the explanatory materials on the algorithm for integration into the corresponding IT systems of the EU, which will be provided by the competent entities of the European Commission.</p> <p>The demand for international material, financial and expert assistance from the international development partners for the project to be implemented has been determined.</p> <p>In its letter of 20.11.2024, the STS contacted the European Commission’s Directorate-General for Taxation and Customs Union regarding the implementation of the EU acquis and IT systems. Also, in order to obtain the aid/support from the EU4PFM regarding integration into the EU systems, the proposals on the EU4PFM Action Plan for 2025 have been submitted.</p> <p>In December 2024, the STS analysed the following EU systems: Central Electronic System of Payment</p>							2030

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					Information (CESOP) and Import One Stop Shop (IOSS). Based on the results of that analysis, the STS is identifying the needs in amending the legislative acts in force.							
Integration into the European system for monitoring of excise goods flow (Excise Movement and Control System (EMCS)) has been ensured	84. Integration into the European system for monitoring of excise goods flow (Excise Movement and Control System (EMCS)) has been ensured	State Tax Service	In 2024–2030 Note: this is not an annual activity. Deadline for the implementation of the activity — 2030	Not due yet	<p>The information on the algorithm, terms and procedures for integration with the EU IT systems was received at the explanatory meeting with the European Commission held on 29.05.2024 on the mixed format (Brussels, Kingdom of Belgium) on the screening of negotiation Chapter 16 “Taxation”.</p> <p>The interim integration activities and deadlines will be aligned with the Schedule of Commitments of Ukraine’s Accession to the EU after it is approved, following the comprehensive analysis of the explanatory materials on the algorithm for integration into the corresponding IT systems of the EU, which will be provided by the competent entities of the European Commission.</p> <p>The demand for international material, financial and expert assistance from the international development partners for the project to be implemented has been determined.</p> <p>In its letter of 20.11.2024, the STS contacted the European Commission’s Directorate-General for Taxation and Customs Union regarding the implementation of the EU acquis and IT systems. Also, in order to obtain the aid/support from the EU4PFM regarding integration into the EU systems, the proposals on the EU4PFM Action Plan for 2025 have been submitted.</p> <p>In December 2024, the STS analysed the following EU systems: Central Electronic System of Payment Information (CESOP) and Import One Stop Shop (IOSS). Based on the results of that analysis, the STS is identifying the needs in amending the legislative acts in force.</p>							2030
4.2.4 “ORGANISATIONAL AND HUMAN RESOURCE ACTIVITIES OF THE STS”												
4.2.4(a) “Reviewing the organisational structure of the STS”												
The efficient organisational	85. Functional examination of	State Tax Service	During 2024	Implemented	In 2024, functional examination of the STS and its territorial bodies was ensured.	2024						

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
structure based on the functional principle has been introduced.	the STS and its territorial bodies has been ensured.				<p>In particular, the preparation stage was completed: Orders of the STS No. 487 of 01.07.2024 “On Approving the Guideline on Functional Examination of the STS and Its Territorial Bodies” and No. 549 of 25.07.2024 “On the Functional Examination of the STS and Its Territorial Bodies” were issued.</p> <p>As a part of the main stage, the inventory of the functions (procedures) of the structural subdivisions of the executive office of the STS and the territorial STS bodies was carried out (collection, analysis and assessment of information), and proposals were made on how to optimise the functional powers and the number of the employees involved into the functions (procedures) in form of interim reports and functional matrixes in the corresponding areas.</p> <p>Following the work performed, the summary report on findings of the functional examination of the STS and its territorial bodies (hereinafter the “summary report”) was drawn up and submitted to the senior executives of the STS in the reporting notice of 31.10.2024.</p> <p>Instruction of the Acting Head of the STS No. 283-д(01) of 04.12.2024 based on the reporting notice regarding the findings of the functional examination of the structural subdivisions of the executive office of the STS and territorial bodies of the STS with due consideration of the recommendations stated in the summary report was issued.</p>							
The efficient organisational structure based on the functional principle has been introduced.	86. Following the functional examination, the amendments to the organisational structure and manning tables of the executive office of the STS and its territorial bodies	State Tax Service	During 2024	Implemented	<p>The Organisational Structure of the STS was amended by Order of the STS No. 860 of 21.11.2024 “On Amending Order of the STS No. 22 of 14.01.2022”.</p> <p>On 27.11.2024, the Ministry of Finance was sent the amendments to the Manning Table of the State Tax Service of Ukraine for 2024 with due consideration of Order No. 860 approved by the Minister of Finance and enacted by Order of the STS No. 72-ф of 02.12.2024.</p> <p>The Guidelines on the Organisational Structure of the Territorial STS Bodies were amended by Order of the</p>	2024						

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
	in order to optimise headcount were approved.				STS No. 742 of 07.10.2024 “On Amending Order of the STS No. 91 of 04.02.2022”. In pursuance of the requirements of Order No. 742, the territorial STS bodies provided the lists of amendments to the organisational structures and manning tables of the territorial STS bodies, which were duly approved by the acting Head of the STS.							
The efficient organisational structure based on the functional principle has been introduced.	87. Analysing, making the list of functions (processes) of the STS, namely with due consideration of the list of the functions (processes) from the Register of Risks being an annex to the Anti-Corruption Programme of the STS for 2023-2025, which need to be automated	State Tax Service	During 2024	Implemented	The functions (processes) of the STS have been analysed in terms of possible automation of processes based on the proposals of the structural subdivisions of the executive office of the STS as to the need to automate processes in functional powers, in particular, with due consideration of the list of functions (processes) from the Register of Risks being an annex to the Anti-Corruption Programme of the STS for 2023-2025. The list of functions (processes) of the STS has been made, namely with due consideration of the list of the functions (processes) from the Register of Risks being an annex to the Anti-Corruption Programme of the STS for 2023-2025, which need to be automated.	2024						
Guarantees of independence of the competent units responsible for preventing and detecting corruption have been ensured, an efficient system of agency control over the organisation of operations of structural	88. The proposals have been made on changes to the maximum headcount of the STS and its territorial bodies via redistribution of the headcount by reducing the headcount in the territorial bodies	State Tax Service	During 2024	Implemented	The total headcount of the STS has been decreased by 3,085 units by Resolution of the Cabinet of Ministers of Ukraine No. 832 of 18.07.2024 “Certain Matters of the State Tax Service of Ukraine”; in particular, the headcount of the executive office of the STS has been increased by 206 units, and of the territorial bodies of the STS — decreased by 3,291 units.	2024						

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
subdivisions of the STS and its territorial bodies has been introduced	as a result of liquidation of the competent units responsible for preventing and detecting corruption and ensuring agency control, and the headcount in the corresponding units in the STS bodies has been increased, and their direct subordination to the Head of the STS has been ensured.											
Guarantees of independence of the competent units responsible for preventing and detecting corruption have been ensured, an efficient system of agency control over the organisation of operations of structural subdivisions of the STS and its territorial bodies has been introduced	89. The amendments to the structure of the territorial bodies of the STS bodies has been approved by the Minister of Finance.	State Tax Service	During 2024	In progress, but delayed	In order to introduce the efficient system of agency control over the organisation of operations of structural subdivisions of the executive office of the STS and its territorial bodies and make management decisions, the Ministry of Finance and the STS ensured that the actions had been taken to remove the agency control units from the structure of territorial subdivisions of the STS bodies, and the maximum headcount of the agency control unit in the executive office of the STS, which was directly subordinated to the Head of the STS, was increased. In particular, the corresponding amendments to the structure of the territorial STS bodies was approved by the Minister of Finance of Ukraine on 04.10.2024. Following the working meeting between the senior executives of the State Tax Service and the NACP, the STS drafted the Resolution of the Cabinet of Ministers of Ukraine “On Implementing the Experimental Project of Operation of the Unified Authorised Corruption Prevention and Detection	2024						

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					Unit in the State Tax Service”, which was approved by the associated executive authorities in accordance with the requirements of the Regulation of the Cabinet of Ministers of Ukraine (Resolution of the Cabinet of Ministers of Ukraine No. 950 of 18.07.2007) and submitted to the Cabinet of Ministers of Ukraine on 19.02.2025 for consideration.							
Guarantees of independence of the competent units responsible for preventing and detecting corruption have been ensured, an efficient system of agency control over the organisation of operations of structural subdivisions of the STS and its territorial bodies has been introduced	90. The changes to the organisational structures and manning tables of the STS and its territorial bodies have been approved.	State Tax Service	During 2024	Implemented	The Organisational Structure of the STS was amended by Order of the STS No. 860 of 21.11.2024 “On Amending Order of the STS No. 22 of 14.01.2022”. The headcount of the STS was brought in line with the requirements of Resolution of the Cabinet of Ministers of Ukraine No. 832 of 18.07.2024 “Certain Matters of the State Tax Service of Ukraine”. On 27.11.2024, the Ministry of Finance was sent the amendments to the Manning Table of the State Tax Service of Ukraine for 2024 with due consideration of Order No. 860 approved by the Minister of Finance and enacted by Order of the STS No. 72-φ of 02.12.2024.	2024						
The regional consolidation of certain structural subdivisions of the territorial bodies (STI) has been carried out, with the area of offices premises reduced.	91. The organisational actions have been taken to ensure regional consolidation of the STI. In particular, the new list of the STI, the changes to the organisational structures and	State Tax Service	In 2024–2025 Note: this is not an annual activity. Deadline for the implementation of the activity — 2025	Implemented	The proposals of the territorial bodies of the STS on the consolidation of the STI with due consideration of the regional principle prescribed by Resolution of the Verkhovna Rada of Ukraine No. 807-IX of 17 July 2020 “On Creating and Liquidating the Raions” have been processed. The corresponding Order of the STS has been drafted. In pursuance of Order of the STS No. 742 of 07.10.2024 “On Amending Order of the STS No. 91 of 04.02.2022”, and with due consideration of Order of the STS No. 747 of 07.10.2024 “On Approving the List of State Tax Inspectorates”, the lists of amendments to the manning tables of the territorial		2025					

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
	manning tables of the territorial bodies of the STS etc. have been approved.				STS bodies, which were duly approved by the acting Head of the STS, were provided by the territorial bodies of the STS.							
The consolidation of the inter-regional large tax payer directorates of the STS into the single organisational structure has been carried out as follows: the organisational activities have been performed to consolidate inter-regional large tax payer directorates, the structure of the single large tax payer office has been developed and approved by the Minister of Finance, and its organisational structure and manning table etc. have been approved.	92. The consolidation of the inter-regional large tax payer directorates of the STS into the single organisational structure has been carried out as follows: the organisational activities have been performed to consolidate inter-regional large tax payer directorates, the structure of the single large tax payer office has been developed and approved by the Minister of Finance, and its organisational structure and manning table etc. have been approved.	State Tax Service	Within six months upon termination of the martial law, but in any case not earlier than in 2025–2026	Not due yet	Not due yet.			Within six months upon termination of the martial law				
The STS Recovery Plan following the Termination/Can	93. The STS Recovery Plan following the Termination/Can	State Tax Service	Within three months after the	Not due yet	Not due yet.			Within three months after the				

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
cellation of the Martial Law in order to determine the general list of the tax authority, including as regards recovery of operations of the offices that are not located in the territories of active hostilities and in the temporarily occupied territories, has been developed and approved	ncellation of the Martial Law in order to determine the general list of the tax authority, including as regards recovery of operations of the offices that are not located in the territories of active hostilities and in the temporarily occupied territories, has been developed and approved		martial law is terminated					martial law is terminated				
The Plan for the Awareness Raising Campaign for Introduction and Implementation of Reforms and Change Management as set out in the corresponding subsections of section 4.2 “Tax administration content” in order to raise the level of trust in the STS among the public and taxpayer has been developed,	94. The Plan for the Awareness Raising Campaign for Introduction and Implementation of Reforms and Change Management as set out in the corresponding subsections of section 4.2 “Tax administration content” in order to raise the level of trust in the STS among the public and taxpayer has	State Tax Service	Continuously starting from 2024 (annually)	In progress (Implemented in 2024)	The Plan for the Awareness Raising Campaign for the Implementation of Reforms and Change Management was developed, approved on 20.09.2024, and then sent to the structural subdivisions of the STS and its territorial bodies (letter of the STS of 24.09.2024). The Plan for the Awareness Raising Campaign for the Implementation of Reforms and Change Management sets out the key responsible parties and deadlines for the activities for 2024-2025. The activities within the awareness raising campaign are in progress. The section “National Revenue Strategy” has been created on the web portal of the STS https://tax.gov.ua/diyalnist/-natsionalna-strategiya-dohodiv	2024	2025	2026	2027	2028	2029	2030

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
approved and implemented.	been developed, approved and implemented.											
The tasks and key indicators for the civil servants who ensure development (participation in development) of the STS development strategy and the action plan for implementation thereof have been identified, and the implementation of the strategy, including implementation of the National Revenue Strategy, has been ensured	95. The tasks and key indicators for the civil servants who ensure development (participation in development) of the STS development strategy and the action plan for implementation thereof have been identified, and the implementation of the strategy, including implementation of the National Revenue Strategy, has been ensured	State Tax Service	Within a month after the National Revenue Strategy of Ukraine is received by the STS for implementation Note: Deadline for the implementation of the activity — 2024	Implemented	The key indicators for the STS officers who ensure development (participation in development) of the STS development strategy and the action plan for implementation thereof have been identified, including implementation of the National Revenue Strategy, have been determined.	2024						
4.2.4(b) “Enhancing the human resource policy of the STS”												
The need for professional training of civil servants from the STS bodies has been determined on the basis of individual programmes for professional development of a civil servant;	96. The need for professional training of civil servants from the STS bodies has been determined on the basis of individual programmes for professional development of	State Tax Service	Continuously starting from 2024 (annually)	In progress (Implemented in 2024)	According to Resolution of the Government of Ukraine No. 106 of 06.02.2019, following the consolidation of the individual programmes for professional development of the civil servants from the STS bodies, the needs for professional training of civil servants were sent to the NACS in the letters of 23.01.2024 and 26.01.2024. Instruction of the Acting Head of the STS No. 21-д of 29.11.2023 on determining the tasks, key official indicators and individual professional development programmes of the STS bodies for the civil service positions of categories B or C for 2024 has been	2024	2025	2026	2027	2028	2029	2030

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
qualifications of staff of the STS bodies have been advanced, and the professional skills necessary to perform their functions have been developed, including the ones regarding implementation of reforms and change management as set out in section 4.2 “Tax administration content”.	a civil servant; qualifications of staff of the STS bodies have been advanced, and the professional skills necessary to perform their functions have been developed, including the ones regarding implementation of reforms and change management as set out in section 4.2 “Tax administration content”.				issued. In 2024, the civil servants from the STS bodies were informed of an opportunity to sign up for training under general (special) short-term and general special professional (certificate) advance training programmes on the Knowledge Management Portal of the NACS. The civil servants from the STS bodies participate in advance training on the Knowledge Management Portal of the NACS on a regular basis.							
The competence-based human resource management model has been developed and introduced.	97. The administrative document of the STS on approval of competences (as a tool for members of competition commissions during the selection of civil service offices) has been developed and issued.	State Tax Service	Continuously starting from 2024 (annually)	In progress (Implemented in 2024)	On 07.03.2023, the meeting of the working group was held to discuss and determine operational competences. Also, the Order of the STS “On Amending Order of the STS No. 1107 of 26.12.2023”, which was submitted to the EU4PFM international experts, was drafted. On 14.06.2024, the meeting of the working group was held to discuss the draft Model of Competence-Based Strategic Management of Human Resources of the State Tax Service of Ukraine and the draft amendments to Order of the STS No. 1107 of 26.12.2023 “On Approving the Competence Profile of the Civil Service Positions of Categories B and C in the Executive Office of the STS”. On 12.07.2024, Order of the STS No. 522 that amended Order of the STS No. 1107 of 26.12.2023 “On Approving the Competence Profile of the Civil Service Positions of Categories B and C in the Executive Office of the STS” was issued; in	2024	2025	2026	2027	2028	2029	2030

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					particular, it was supplemented with the model of operational competences, the description of the level of competences, with more detailed descriptions of value, professional and management competence models. Moreover, the Model of Competence-Based Strategic Management of Human Resources of the State Tax Service of Ukraine and the Action Plan in pursuance thereof for 2024-2030 were approved by Order of the STS No. 628 of 03.09.2024.							
The competence-based human resource management model has been developed and introduced.	98. The individual programmes for professional development of civil servants were drawn up with due consideration of approved competences.	State Tax Service	Continuously starting from 2024 (annually)	In progress (Implemented in 2024)	Order of the STS No. 522 of 12.07.2024 amended Order of the STS No. 1107 of 26.12.2023 “On Approving the Competence Profile of the Civil Service Positions of Categories B and C in the Executive Office of the STS” was issued, and supplemented it with the model of operational competences, the description of the level of competences, with more detailed descriptions of value, professional and management competence models. The Themed Plan for Internal On-the-Job Training of the Civil Services of the STS in the Vocational Training System for 2024 (as amended) was approved by the Acting Head on 19.01.2024. On 03.09.2024, the updated Themed Plan for the second half of 2024 was approved. The Themed Plan for Internal On-the-Job Training of the Civil Services of the STS in the Vocational Training System for 2024 (as amended), which included 25 educational activities for the structural subdivisions of the executive office of the STS, was approved on 17.09.2024. The training covers the themes necessary in operations of all the structural subdivisions. It is aimed at development of professional, functional and management competences. 38 trainings have been conducted within the Themed Plan.	2024	2025	2026	2027	2028	2029	2030
The competence-based human	99. Professional training of civil	State Tax Service	Continuously starting	In progress (Implemented	The Themed Plan for Internal On-the-Job Training of the Civil Services of the STS in the Vocational	2024	2025	2026	2027	2028	2029	2030

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
resource management model has been developed and introduced.	servants of the STS and assessment of their official activity on the basis of the approved competences have been organised.		from 2024 (annually)	in 2024)	<p>Training System for 2024 was approved on 19.01.2024.</p> <p>The above-mentioned plan was amended to include the internal compliance training on 17.09.2024.</p> <p>38 trainings have been conducted within the Themed Plan.</p> <p>During the reporting period, 1,331 (89.39%) civil servants of the STS completed the advance training based on their individual programmes for advancing the level of professional competences/individual professional development programmes. Also, 1,305 (87.6%) employees of the executive office were trained on alignment of the Ukrainian legislation with the EU acquis and Euro-Atlantic integration, cybersecurity/cyberprotection, their English language skills, and application of the international experience of conflict resolution and provisions of international humanitarian law. Moreover, 1,360 (91.3%) employees of the executive office completed the online training on different e-platforms for the purpose of self-education.</p> <p>The Opinion on Assessing Results of Operations of the Civil Servants of the Territorial Bodies of the STS in the Offices of the Heads (Acting Heads) of the Territorial Bodies of the STS in 2024 was approved by Order of the STS No. 911 of STS 10.12.2024.</p>							
The training the staff of the STS has conducted at the State Tax University (based on budget funding): the special professional (certificate) advance programmes for civil servants of the STS bodies	100. The training the staff of the STS has conducted at the State Tax University (based on budget funding): the special professional (certificate) advance programmes for civil servants of	State Tax Service	Continuously starting from 2025 (annually)	Not due yet	<p>The STS and the State Tax University of Ukraine concluded the Memorandum of Cooperation. In pursuance of the Memorandum, the STS has determined the need for advance training in the areas and themes to develop professional competences of the civil servants, and the corresponding materials have been sent to the State Tax University. The structural subdivisions of the STS have been informed that the Knowledge Management Portal contains the full list of the programmes under which the State Tax University offers advance training.</p> <p>Following the consideration of the letter of the State Tax University of 18.10.2024, the special short-term advance training programme "Using Microsoft Excel</p>		2025	2026	2027	2028	2029	2030

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
have been developed and approved.	the STS bodies have been developed and approved.				table processor in civil servants' work" was considered and approved by Order of the STS No. 808 of 06.11.2024 "On Approving Special Short-Term Advance Training Programmes". The special short-term advance training programmes "International taxation and tax planning" and "Tools to implement the budget and tax policy" were also approved by Order of the STS No. 972 of 26.12.2024 "On Approving the Special Short-Term Advance Training Programmes". In November and December 2024, the State Tax University organised the training for 865 civil servants from the territorial bodies of the STS bodies based on the communicated needs, and made agreements on the educational services under general short-term programmes and general professional certificate programmes.							
The systems for management of performance of the STS staff have been enhanced.	101. The automated monitoring of performance of tasks and key performance, efficiency and quality indicators of civil servants have been developed, tested and introduced.	State Tax Service	In 2024–2026 Note: this is not an annual activity. Deadline for the implementation of the activity — 2026	Not due yet	The order for development of the software module "System to monitor performance of tasks and key performance indicators, effectiveness and quality of official activities of the employees of the STS" has been drafted. The corresponding draft application is being modified. On 11.11.2024, in order to discuss the matters associated with implementation of the draft order for development of the software module "System to monitor performance of tasks and key performance indicators, effectiveness and quality of official activities of the employees of the STS", the working meeting was held with the representatives of Intellect-Service LLC. At the meeting, the parties discussed the principal aspects of implementation of the software module proposed, and also emphasised the expected outcomes and opportunities of introducing service monitoring efficiency.			2026				
The electronic records management system in the STS has been	102. The electronic records management system in the	State Tax Service	In 2025–2026 Note: this is not an	Not due yet	In 2024, the software was modified on the basis of requests for enhancing the electronic records management system of the STS, and was put into service: - in terms of maintenance of the Unified Register of			2026				

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
improved	STS has been improved		annual activity. Deadline for the implementation of the activity — 2026		<p>Individual Tax Consultations;</p> <ul style="list-style-type: none"> - in terms of support of the automated process of correspondence between the regulatory authority and taxpayers with the ICS “Electronic Account”; - in terms of updated names in the reporting forms; - in terms of changes in the reporting form calculation algorithm; - in terms of enhanced reminder of management decisions/control instructions, in the form of pop-up windows, monitoring of performance and entry of control card details into the registration and monitoring card, and automated reflection of details of the control task in the control card; - in terms of modification of the Archive directory; - in terms of modification of the navigation branch of the Archive as to execution of electronic files and transfer thereof to the archive subdivision of the institution to form file descriptions and the report on removal of documents for disposal; - in terms of modification of the registration and monitoring card to register documents labelled “For internal use”; - in terms of automated processes of information exchange with the ICS “Automated system for handling large data sets to analyse transfer pricing risks”; - in terms of creation of the function “Keeping records on legal and normative acts”; - in terms of creation of the registration and monitoring card of the document in the card system of the type “Compliance manager’s reports”; - in terms of receipt of enforcement proceedings documents via the Electronic Court SJITS; - in terms of creation of the section “Compliance manager’s reports” in the Reports module, and upload of the existing reports “Log of the compliance manager’s requests” and “Compliance manager’s reports on the work performed”; - in terms of reflection of the responsible employee’s field in the window “Resolution” of the registration 							

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					and monitoring card of the document, and creation of event records in the Event Log module of the SPM Administrator role; - in terms of creation of functions of the Pulse service.							
Concurrently with the activity to develop and approve the STS Recovery Plan following the Termination/Cancellation of the Martial Law in order to determine the general list of the tax authority under subsection 4.2.4(a) "Reviewing the organisational structure of the STS"	103. The activities to ensure return of the staff, their recruitment to the restored offices that are not located in the territories of active hostilities and in the temporarily occupied territories, return of the staff of the STS who have been called up have been developed.	State Tax Service	Within three months after the martial law is terminated, concurrently with the other activities Note: deadline of the activity — within three months after the martial law is terminated, concurrently with the activity 4.2.4(a) 5	Not due yet	Not due yet.			Within three months after the martial law is terminated, concurrently with the activity 4.2.4(a) 5				
The tasks and key performance, efficiency and quality indicators for the civil servants who ensure development (participation in	104. The tasks and key performance, efficiency and quality indicators for the civil servants who ensure development	State Tax Service	During a quarter after the NRSU is received by the STS for the implementation	Implemented	In pursuance of subpoint 2.1 of point 2 of Order of the STS No. 219 of 21.05.2020 "On Introducing the System for Monitoring the Tasks and Key Performance, Efficiency and Quality Indicators of Activities of Civil Servants in the STS Bodies", the heads of the structural subdivisions of the STS have monitored the tasks and key indicators and reviewed the tasks and key indicators for 12 civil servants who provide for the action plan for developing and	2024						

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
development) of the STS development strategy and the action plan for implementation thereof as well as implementation of the strategy, including implementation of the NRS, have been reviewed.	(participation in development) of the STS development strategy and the action plan for implementation thereof as well as implementation of the strategy, including implementation of the NRS, have been reviewed.		Note: Deadline for the implementation of the activity — 2024		implementing the strategy; they have been provided to the Human Resource Department to be kept in personal files of civil servants in accordance with the established procedure.							
4.3. “CONTENT OF THE TAX POLICY ACTIVITIES”												
4.3.1. “REFORM OF THE SIMPLIFIED TAXATION SYSTEM”												
The single tax rates for the legal persons of the third and fourth groups of the simplified taxation system have been increased up to the value equivalent to the ordinary corporate income tax.	105. The single tax rates for the legal persons of the third and fourth groups of the simplified taxation system have been increased up to the value equivalent to the ordinary corporate income tax.	Ministry of Finance	One year after the implementation of the activities mentioned in subsection 4.2.3(b)	Not due yet	Not due yet.				One year after the implementation of the activities mentioned in subsection 4.2.3(b)			
The second and third groups of the simplified taxation system for individual entrepreneurs have been consolidated into	106. The second and third groups of the simplified taxation system for individual entrepreneurs have been consolidated	Ministry of Finance	One year after the implementation of the activities mentioned in subsection	Not due yet	Not due yet.				One year after the implementation of the activities			

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
one group.	into one group.		4.2.3(b)						mentioned in subsection 4.2.3(b)			
The payers of the consolidated second group of the simplified taxation system have been established the tax rates off the revenues gained, based on the differentiated scale for specific activities.	107. The payers of the consolidated second group of the simplified taxation system have been established the tax rates off the revenues gained, based on the differentiated scale for specific activities.	Ministry of Finance	One year after the implementation of the activities mentioned in subsection 4.2.3(b)	Not due yet	Not due yet.				One year after the implementation of the activities mentioned in subsection 4.2.3(b)			
The payers of the consolidated second group of the simplified taxation system have been established the duty to apply cash registers.	108. The payers of the consolidated second group of the simplified taxation system have been established the duty to apply cash registers.	Ministry of Finance	One year after the implementation of the activities mentioned in subsection 4.2.3(b)	Not due yet	Not due yet.				One year after the implementation of the activities mentioned in subsection 4.2.3(b)			
The payers of the first group of the simplified taxation system have been established the tax rate off the revenues gained.	109. The payers of the first group of the simplified taxation system have been established the tax rate off the revenues gained.	Ministry of Finance	One year after the implementation of the activities mentioned in subsection	Not due yet	Not due yet.				One year after the implementation of the activities			

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
			4.2.3(b)						mentioned in subsection 4.2.3(b)			
The list of the types of activities permitted for the first group of the simplified taxation system.	110. The list of the types of activities permitted for the first group of the simplified taxation system.	Ministry of Finance	One year after the implementation of the activities mentioned in subsection 4.2.3(b)	Not due yet	Not due yet.				One year after the implementation of the activities mentioned in subsection 4.2.3(b)			
All the payers within the simplified taxation system have been imposed the duty to be registered with the VAT system in case the VAT payer registration threshold is reached.	111. All the payers within the simplified taxation system have been imposed the duty to be registered with the VAT system in case the VAT payer registration threshold is reached.	Ministry of Finance	One year after the implementation of the activities mentioned in subsection 4.2.3(b)	Not due yet	Not due yet.				One year after the implementation of the activities mentioned in subsection 4.2.3(b)			
The duty to keep records on and provide documentary evidence of origin of goods has been introduced.	112. The duty to keep records on and provide documentary evidence of origin of goods has been introduced.	Ministry of Finance	One year after the implementation of the activities mentioned in subsection	Not due yet	Not due yet.				One year after the implementation of the activities			

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
			4.2.3(b)						mentioned in subsection 4.2.3(b)			
The taxation base has been expanded for the rural farms (natural persons) of the fourth group of the simplified taxation system.	113. The taxation base has been expanded for the rural farms (natural persons) of the fourth group of the simplified taxation system.	Ministry of Finance	Starting from the year-end when land taxation based on massive appraisal is introduced	Not due yet	Not due yet.				Starting from the year-end when land taxation based on massive appraisal is introduced			
4.3.2 “CHANGING THE INDIVIDUAL INCOME TAXATION MODEL”												
The progressive scale of the individual income tax rates has been introduced.	114. The progressive scale of the individual income tax rates has been introduced.	Ministry of Finance	One year after the implementation of the activities mentioned in subsection 4.2.3(b)	Not due yet	Not due yet.				One year after the implementation of the activities mentioned in subsection 4.2.3(b)			
The minimum non-taxable income for targeted social assistance to persons with low income has been	115. The minimum non-taxable income for targeted social assistance to persons with low income has	Ministry of Finance	One year after the implementation of the activities mentioned in	Not due yet	Not due yet.				One year after the implementation of the activities			

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
replaced.	been replaced.		subsection 4.2.3(b)						s mention ed in subsecti on 4.2.3(b)			
The individual income tax, special taxation conditions and exceptions to the tax base have been reviewed to be streamlined and regulated.	116. The individual income tax, special taxation conditions and exceptions to the tax base have been reviewed to be streamlined and regulated.	Ministry of Finance	One year after the implementation of the activities mentioned in subsection 4.2.3(b)	Not due yet	Not due yet.				One year after the implementation of the activities mentioned in subsection 4.2.3(b)			
The efficient incentive system of tax deductions (refund of taxes paid) in connection with the payers' costs has been introduced.	117. The efficient incentive system of tax deductions (refund of taxes paid) in connection with the payers' costs has been introduced.	Ministry of Finance	One year after the implementation of the activities mentioned in subsection 4.2.3(b)	Not due yet	Not due yet.				One year after the implementation of the activities mentioned in subsection 4.2.3(b)			
The factors to replace official employment relations with civil legal relations with fictitiously self-employed	118. The factors to replace official employment relations with civil legal relations with fictitiously self-	Ministry of Finance	One year after the implementation of the activities mentioned in subsection	Not due yet	Not due yet.				One year after the implementation of the activities			

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
persons have been mitigated.	employed persons have been mitigated.		4.2.3(b)						mentioned in subsection 4.2.3(b)			
The regulatory authorities have been granted access to bank information on the flow of funds on taxpayers' accounts.	119. The regulatory authorities have been granted access to bank information on the flow of funds on taxpayers' accounts.	Ministry of Finance	One year after the implementation of the activities mentioned in subsection 4.2.3(b)	Not due yet	Not due yet.				One year after the implementation of the activities mentioned in subsection 4.2.3(b)			
4.3.3. "IMPROVING THE LEGISLATION ON CORPORATE INCOME TAXATION"												
4.3.3(a) "Using tax incentives efficiently to encourage post-war reconstruction and capital reinvestment"												
The investment incentivisation regimes have been reviewed to cancel the corporate income tax benefits. The new cost-based approach has been introduced via the rules for absolute deduction of costs (instant depreciation).	120. The investment incentivisation regimes have been reviewed to cancel the corporate income tax benefits. The new cost-based approach has been introduced via the rules for absolute deduction of costs (instant depreciation).	Ministry of Finance	In 2024–2025 Note: this is not an annual activity. Deadline for the implementation of the activity — 2025	Not due yet	The activity will be performed in pursuance of the unified approach to application of tax incentives, including the unified approach to application of taxation benefits from 2025 until 2030.		2025					
The list of the assets that may be covered by the	121. The list of the assets that may be covered	Ministry of Finance	In 2024–2025	Not due yet	The activity will be performed in pursuance of the unified approach to application of tax incentives, including the unified approach to application of		2025					

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
instant depreciation rules has been established.	by the instant depreciation rules has been established.		Note: this is not an annual activity. Deadline for the implementation of the activity — 2025		taxation benefits from 2025 until 2030.							
Introduction of narrow and expensive investment tax benefits has been terminated. Application of the benefit limited to the specific percentage of the taxpayer's general tax liabilities has been considered to guarantee that the effective tax rates of beneficiaries will exceed 15% of the minimum taxation rate.	122. Introduction of narrow and expensive investment tax benefits has been terminated. Application of the benefit limited to the specific percentage of the taxpayer's general tax liabilities has been considered to guarantee that the effective tax rates of beneficiaries will exceed 15% of the minimum taxation rate.	Ministry of Finance	In 2024–2030 Note: this is not an annual activity. Deadline for the implementation of the activity — 2030	Not due yet	The activity will be performed in pursuance of the unified approach to application of tax incentives, including the unified approach to application of taxation benefits from 2025 until 2030.							2030
4.3.3(b) “Bringing the corporate taxation rules in line with the EU acquis”												
The Law of Ukraine on amending the Tax Code of Ukraine as to implementation of the tax	123. The Law of Ukraine on amending the Tax Code of Ukraine as to implementation of the tax	Ministry of Finance	In 2024–2025 Note: this is not an annual activity.	Not due yet	With the support by the international development partners, the EU4PFM, the Reform Support Team (RST), and the OECD, the Ministry of Finance has drafted the law on amending the Tax Code of Ukraine as to implementation of the tax avoidance practices that directly affect the functioning of the EU and Ukrainian market. The draft Law introduces the		2025					

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
avoidance practices that directly affect the functioning of the EU and Ukrainian market (in pursuance of the ATAD) and subordinate legal acts have been adopted.	avoidance practices that directly affect the functioning of the EU and Ukrainian market (in pursuance of the ATAD) and subordinate legal acts have been adopted.		Deadline for the implementation of the activity — 2025		<p>following:</p> <ul style="list-style-type: none"> - taxation of capital gains from asset stripping, which is consistent with Article 5 of the ATAD (Exit taxation rules); - the general rule against tax avoidance practices, which is consistent with Article 6 of the ATAD (General Anti-abuse Rule, GAAR); - the rules against hybrid mismatches, which is consistent with Article 9 of the ATAD (Hybrid mismatches). <p>Moreover, the Draft Law proposes amendments to the effective tax legislation on limitation of calculation of interest and taxation of controlled foreign companies, in order to bring them in line with the requirements of Article 4 and Articles 7, 8 of the ATAD respectively.</p> <p>Since June 2024, the Ministry of Finance has introduced regular meetings involving the experts from the OECD, the EU4PFM, the Reform Support Team (RST) and the STS to discuss specific rules of the draft law and furnish explanations on the corresponding Articles of the ATAD (14 meetings in total).</p> <p>In November and at the beginning of December, there were online meetings with the experts from the EU4PFM, the OECD and the IMF who gave their comments and recommendations on the draft law at the final session on 06.12.2024.</p> <p>Moreover, the current operations of the Ministry of Finance in connection with implementation of the tax avoidance practices under the ATAD were positively assessed during the technical mission of the Tax and Budget Department of the International Monetary Fund on international taxation on 14-21.12.2024 in Vienna (the Republic of Austria), and additional recommendations were given to efficiently implement the new rules and bring them in line with the international treaties on the avoidance of double taxation.</p> <p>Such expert examination is an important preparation</p>							

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					stage before the public discussion following its completion. The draft law will be sent to the interested central executive authorities after it is approved by all the development partners, and their comments and notes are processed.							
The activities aimed at enhancing the capacity of the competent authorities in the field of international taxation and application of the EU acquis on corporate taxation have been conducted (the trainings and workshops involving the international experts from the OECD, the EU Public Finance Management Support Programme for Ukraine (EU4PFM) and the World Bank have been conducted).	124. The activities aimed at enhancing the capacity of the competent authorities in the field of international taxation and application of the EU acquis on corporate taxation have been conducted (the trainings and workshops involving the international experts from the OECD, the EU Public Finance Management Support Programme for Ukraine (EU4PFM) and the World Bank have been conducted).	Ministry of Finance	In 2024–2025 Note: the progress is updated annually	In progress (Implemented in 2024)	In 2024, the activities were conducted to enhance the capacity of the competent authorities of Ukraine in the field of international taxation with the international partners' support. Four online workshops (on 25.04.2024, on neutralisation of hybrid mismatches; on 27.06.2024, on taxation of CFC; on 12.11.2024, on practical application of the CFC rules; and on 29.11.2024, on the EU practices in application of model A of the CFC rule) and ten themed workshops for the specialised business associations on automatic exchange of financial account information under the Common Reporting Standard (CRS) were conducted with the support of the EU4PFM for the staff of the Ministry of Finance and the STS. The following has been organised and conducted with the support of the World Bank: the educational and practical workshop on the tax evasion rules, including GAAR (Vienna, Austria, April 2024); the webinar on application of international treaties on the avoidance of double taxation (02.04.2024). The educational course for the judges from the administrative courts of Ukraine has been arranged and held with the support of the OECD: "International taxation standards: implementation and application in Ukraine" (October 2022 to March 2024, 18 workshops). Moreover, the employees of the Ministry of Finance and the STS have taken part in the OECD activities conducted to enhance the human resource potential: - the educational course on transfer pricing, namely TP — Course Fundamentals (August 2022 — February 2024; 56 workshops, which makes 168 academic hours);	2024	2025					

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					- a series of educational and practical workshops by the OECD called the Transfer Pricing Train-the-Trainer Workshop on the relevant theoretical and practical aspects of transfer pricing; - the educational and practical workshop on introduction of the global minimum tax (GloBE) within Pillar 2, which is an element of the OECD Two-Pillar Solution.							
The summarising tax consultations on application of new taxation rules in connection with prevention of tax evasion (GAAR) have been developed and issued.	125. The summarising tax consultations on application of new taxation rules in connection with prevention of tax evasion (GAAR) have been developed and issued.	Ministry of Finance	During 2025	Not due yet	Not due yet.		2025					
The Tax Code of Ukraine has been amended to implement the Directive on Parent and Subsidiary Undertakings and the Interest & Royalty Directive.	126. The Tax Code of Ukraine has been amended to implement the Directive on Parent and Subsidiary Undertakings and the Interest & Royalty Directive.	Ministry of Finance	During 2026	Not due yet	Not due yet.			2026				
Possible budget losses in connection with the transposition of the rules of the Directive on Parent and Subsidiary	127. Possible budget losses in connection with the transposition of the rules of the Directive on Parent and Subsidiary	Ministry of Finance	In 2025–2026 Note: this is not an annual activity. Deadline	Not due yet	Not due yet.			2026				

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
Undertakings and the Interest & Royalty Directive have been assessed. Preparing analytical materials for negotiation	Undertakings and the Interest & Royalty Directive have been assessed. Preparing analytical materials for negotiation		for the implementation of the activity — 2026									
The BEPS rules efficiency assessment model has been introduced in accordance with Action 11 of the BEPS Action Plan.	128. The BEPS rules efficiency assessment model has been introduced in accordance with Action 11 of the BEPS Action Plan.	Ministry of Finance	In 2025–2026 Note: this is not an annual activity. Deadline for the implementation of the activity — 2026	Not due yet	In order to assess efficiency of the BEPS rules in declaration of the income tax, the Ministry of Finance sent the STS the requests of 21.03.2024 and 22.03.2024 for results of declaration of the corporate income tax by taxpayers (including non-residents) that applied adjustment of the financial result before tax by differences (in particular, the ones implemented by Laws of Ukraine No. 466, No. 1117) for 2020-2023. The information is being processed, tested and used to develop the draft law in pursuance of the ATAD. Moreover, during the visit of the Ukrainian delegation made of the representatives of the Ministry of Finance and the STS to the OECD this September, the themed meeting on data (namely declaration results) was held, and involvement of the specialised OECD experts into development of the corresponding assessment methodology and data handling trainings was approved.			2026				
4.3.3(c) Introducing the rules on the two-pillar solution												
The Multilateral Convention (MLC) to Implement Amount A of Pillar 1 has been acceded to.	129. The Multilateral Convention (MLC) to Implement Amount A of Pillar 1 has been acceded to.	Ministry of Finance	In 2024–2027 Note: this is not an annual activity. Deadline for the implementation of the	Not due yet	The Multilateral Convention (MLC) to Implement Amount A of Pillar 1 was made public in October 2023, but it had not been signed by the members of the Inclusive Framework on BEPS until 30 June 2024 as there was no quorum necessary (it had to be ratified by at least 30 jurisdictions, including the head offices of the jurisdictions of at least 60% of the ICG).				2027			

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
			activity — 2027									
The Multilateral Instrument (MLI) to implement the Subject to Tax Rule (STTR) has been acceded to.	130. The Multilateral Instrument (MLI) to implement the Subject to Tax Rule (STTR) has been acceded to.	Ministry of Finance	In 2024–2027 Note: this is not an annual activity. Deadline for the implementation of the activity — 2027	Not due yet	On 19.09.2024, at the ceremony at which the Convention to Facilitate the Implementation of the Pillar Two Subject to Tax Rule was signed, the Ministry of Finance provided the OECD Secretariat with the letter of interest in accession to the STTR MLI (letter No. 44010-10-7/26702 of 16.09.2024). The domestic procedures necessary to sign the STTR MLI are not being carried out.				2027			
The Laws and subordinate legal and normative acts necessary to introduce the rules for the OECD Two-Pillar Solution have drafted.	131. The Laws and subordinate legal and normative acts necessary to introduce the rules for the OECD Two-Pillar Solution have drafted.	Ministry of Finance	In 2024–2027 Note: this is not an annual activity. Deadline for the implementation of the activity — 2027	Not due yet	The consultations with the OECD and the STS are conducted to assess the scope of necessary legislative amendments to introduce the rules for the OECD Two-Pillar Solution, in particular, in terms of: - amendments to the Tax Code of Ukraine: Title III “Corporate Income Tax” and XIV “Special Tax Treatment” — as to taxation of the undertakings covered by Pillar 2, up to the effective rate of 15%; - amendments to the form of the Corporate Income Tax Return; - amendments to the form of and Procedure for Making the Notification of Participation in the International Company Group; - introduction of the form of the GloBE Information Return (GIR). Also, the representatives of the Ministry of Finance and the STS took part in the educational and practical workshop (Ankara, Turkey, June 2024) and the OECD online workshop (September 2024) on introduction of the global minimum tax (GloBE) within Pillar 2, which was an element of the OECD Two-Pillar Solution. Upon the Ministry of Finance’s requests, the STS furnished their proposals on introducing Amount B of Pillar 1 (08.11.2024) and the global minimum tax				2027			

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					(GloBE) (10.12.2024).							
4.3.3(d) “Improving the transfer pricing rules”												
The Law of Ukraine “On Amending the Tax Code of Ukraine to Keep Improving the Transfer Pricing Rules” has been drafted in order to bring the transfer pricing rules in Ukraine in line with the OECD Transfer Pricing Guidelines for Multinational Enterprise and Tax Administrations of 2022.	132. The Law of Ukraine “On Amending the Tax Code of Ukraine to Keep Improving the Transfer Pricing Rules” has been drafted in order to bring the transfer pricing rules in Ukraine in line with the OECD Transfer Pricing Guidelines for Multinational Enterprise and Tax Administrations of 2022.	Ministry of Finance	Ministry of Finance During 2024	In progress, but delayed	In order to improve the rules of control of transfer pricing in pursuance of the Action Plan on Base Erosion and Profit Shifting (BEPS), the Ministry of Finance drafted the Law of Ukraine “On Amending the Tax Code of Ukraine to Improve the Rules of Transfer Pricing” with account of the recommendations given by the OECD as well as the international experience of taxation. On 07.10.2024, the draft law was sent to the IMF and considered at the online meetings on 19.11.2024, 21.11.2024 and 06.12.2024, where the professionals from the Ministry of Finance and the IMF experts discussed its principal aspects. At the final session on 06.12.2024, the IMF experts presented their comments and recommendations on the draft law, decided on the additional matters to be resolved to follow the new rules efficiently, and brought them to the notice of the Ministry of Finance. Moreover, the Ministry of Finance sent the draft law on the STS on 04.11.2024 to be processed, and for comments and proposals to be made. In response to the letter of the Ministry of Finance, the STS sent its comments and proposals on the draft law on 28.11.2024. The provisions of the draft law are being processed by the OECD experts, with due consideration of the comments and recommendations given by the IMF and the proposals made by the STS.	2024						
4.3.3(e) “Taxation of windfall profit”												
The detailed discussion of the principles of taxation of windfall profit of economic operators has been held, including	133. The detailed discussion of the principles of taxation of windfall profit of economic operators has been held,	Ministry of Finance	During 2024	Implemented	The corporate income tax rates were increased Law of Ukraine No. 3474-IX of 21.11.2023 “On Amending the Tax Code of Ukraine as to Peculiarities of Taxation of Banks and Other Taxpayers” in order to ensure fair taxation of excess profit of banks in accordance with the international taxation practice, in particular, as regards introduction of differentiated tax rates. The tax rate of 50% was established to tax the excess profit of the	2024						

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
instructions on the emergency situations in which such taxes can be applied.	including instructions on the emergency situations in which such taxes can be applied.				banks gained in 2023, and the rates of 25% were introduced starting from the reporting (tax) periods of 2024 on a permanent basis. Following the analysis, the total amount of the additional proceeds of the state budget from the banks' income tax in 2024 made 46.5 billion hryvnias owing to the increased tax rate from 18% to 25% and the one-time increase in the rate up to 50%. Also, Law of Ukraine No. 4015 of 10.10.2024 "On Amending the Tax Code of Ukraine and Other Laws of Ukraine to Ensure Balance of Budget Proceeds in Martial Law": - introduced the basic (main) rate of the income tax for financial institutions (other than insurance companies) at 25% (instead of 18%) starting from 01.01.2025; - introduced the increased income tax rate of 50% (instead of 25%) for banks for 2024. According to the explanatory note, implementation of the initiatives proposed by Law No. 4015 will result in higher budget revenues owing to additional proceeds, in particular, from the corporate income tax.							
The feasibility study and modelling of impact of windfall profit taxation upon the investment attractiveness of Ukraine and its competitive neutrality have been prepared.	134. The feasibility study and modelling of impact of windfall profit taxation upon the investment attractiveness of Ukraine and its competitive neutrality have been prepared.	Ministry of Finance	During 2024	Implemented	The corporate income tax rates were increased Law of Ukraine No. 3474-IX of 21.11.2023 "On Amending the Tax Code of Ukraine as to Peculiarities of Taxation of Banks and Other Taxpayers" in order to ensure fair taxation of excess profit of banks in accordance with the international taxation practice, in particular, as regards introduction of differentiated tax rates. The tax rate of 50% was established to tax the excess profit of the banks gained in 2023, and the rates of 25% were introduced starting from the reporting (tax) periods of 2024 on a permanent basis. Following the analysis, the total amount of the additional proceeds of the state budget from the banks' income tax in 2024 made 46.5 billion hryvnias owing to the increased tax rate from 18% to 25% and the one-time increase in the rate up to 50%.	2024						

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					<p>Additional taxation was made possible by the stronger inflation pressure and introduction of stricter monetary conditions caused by the circumstances favourable for net profit of banks.</p> <p>The same tendency of excess profit of banks was also observed in 2024.</p> <p>Therefore, Law of Ukraine No. 4015 of 10.10.2024 “On Amending the Tax Code of Ukraine and Other Laws of Ukraine to Ensure Balance of Budget Proceeds in Martial Law”:</p> <ul style="list-style-type: none"> - introduced the basic (main) rate of the income tax for financial institutions (other than insurance companies) at 25% (instead of 18%) starting from 01.01.2025; - introduced the increased income tax rate of 50% (instead of 25%) for banks for 2024. <p>According to the explanatory note, implementation of the initiatives proposed by Law No. 4015 will result in higher budget revenues owing to additional proceeds, in particular, from the corporate income tax.</p>							
4.3.4 “RESOLVING THE MATTERS ASSOCIATED WITH APPLICATION OF INTERNATIONAL TREATIES ON THE AVOIDANCE OF DOUBLE TAXATION”												
The existing MTCU have been analysed in terms of their efficiency and effectiveness in protection of the tax base of Ukraine.	135. The existing MTCU have been analysed in terms of their efficiency and effectiveness in protection of the tax base of Ukraine.	Ministry of Finance	During 2024	Implemented	The effective MTCU have been analysed within the research paper “International Tax Treaties and Their Significance for Ukraine in the Context of the European Integration” by the Research and Development Financial Policy Institute of the State Tax University. (Final report on the research paper of 29.11.2024, state registration number 0123U104574).	2024						
The draft benchmark MTCU has been developed to consider the national economic interests of	136. The draft benchmark MTCU has been developed to consider the national economic interests of	Ministry of Finance	In 2025–2027 Note: this is not an annual activity. Deadline	Not due yet	Not due yet.				2027			

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
Ukraine.	Ukraine.		for the implementation of the activity — 2027									
The national tax legislation has been analysed, and the draft law has been developed to eliminate the inconsistency between the national legislation and the international taxation rules.	137. The national tax legislation has been analysed, and the draft law has been developed to eliminate the inconsistency between the national legislation and the international taxation rules.	Ministry of Finance	In 2024–2025 Note: this is not an annual activity. Deadline for the implementation of the activity — 2025	Not due yet	The national tax legislation is being analysed to detect the unreasonable restrictions associated with application of the international taxation rules and concepts. The gaps in the taxation of revenues of the non-residents that operate via the permanent establishment in Ukraine have been detected, and the concepts of “constructive dividends” and the “place of effective management” have been modified within the draft law in pursuance of the ATAD.		2025					
The amendments to the legislation on improving the mutual agreement procedure in order to ensure fulfilment of Ukraine’s commitments under the Double Taxation Avoidance in Agreement with the recommendations of Action 14 of BEP8 Action Plan have been drafted.	138. The amendments to the legislation on improving the mutual agreement procedure in order to ensure fulfilment of Ukraine’s commitments under the Double Taxation Avoidance Agreement in accordance with the recommendations of Action 14 of BEPS Action	Ministry of Finance	During 2024	In progress, but delayed	The Law of Ukraine “On Amending the Tax Code of Ukraine as to Improvement of the Mutual Agreement Procedure, the Procedure for Advance Pricing Arrangements in Controlled Transactions” was drafted from January to August 2024. The STS was sent the draft law in the letter of the Ministry of Finance of 19.08.2024 for comments to be made. Since September 2024, the Ministry of Finance has had regular meetings with the STS to discuss the comments of the latter and to furnish explanations on the specific rules of the draft law. The discussions detected the additional issues to be resolved for the new rules to be implemented efficiently, and for the draft law to be modified.	2024						

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
	Plan have been drafted.											
The synthesised texts of the MTCU have been prepared, approved by the contracting states and made public on the website of the Ministry of Finance, with due consideration of impact of the MLI.	139. The synthesised texts of the MTCU have been prepared, approved by the contracting states and made public on the website of the Ministry of Finance, with due consideration of impact of the MLI.	Ministry of Finance	During 2024	Implemented	As of January 2025, 41 synthesised texts approved by the contracting states in advance were published on the official website of the Ministry of Finance. (https://mof.gov.ua/uk/mli-441). It is additionally stated that as of 31.12.2024 the total number of the jurisdictions which have signed the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (the MLI), and with which Ukraine has the effective conventions on the avoidance of double taxation (hereinafter the “conventions”) is 61. 51 jurisdictions out of them have extended the MLI to the convention with Ukraine. In 41 out of 51 jurisdictions, the MLI has entered into force and is in effect with regard to the convention between Ukraine and the corresponding jurisdiction.	2024						
The summarising tax consultations on application of international taxation have been developed and issued.	140. The summarising tax consultations on application of international taxation have been developed and issued.	Ministry of Finance	In 2024–2030 Note: the activity is permanent, with the status progress updated annually.	In progress, but delayed	In 2024, two explanations on practical implementation of the international treaties of Ukraine on the avoidance of double taxation were prepared: 1) in taxation of non-residents’ revenues in form of leasing/lease charges under leasing/lease agreements on machines, mechanisms and vehicles (ground, air and water transport); 2) in application of the principal purpose test (ppt) to limit benefits under the international treaties of Ukraine on the avoidance of double taxation. The discussion with the OECD experts is under way.	2024	2025	2026	2027	2028	2029	2030
4.3.5 “BRINGING THE VAT LEGISLATION IN LINE WITH THE EU ACQUIS”												
The tax benefits have been brought in line with the requirements of Council Directive 2006/112/EC of 28 November 2006 on the	141. The tax benefits have been brought in line with the requirements of Council Directive 2006/112/EC of 28 November	Ministry of Finance	In 2025–2027 Note: this is not an annual activity. Deadline for the	Not due yet	The consistency of the rules of the Tax Code of Ukraine with Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax (hereinafter “Directive 112”) in terms of application of VAT benefits is being analysed to bring them in line with the requirements of Directive 112.				2027			

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
common system of value added tax.	2006 on the common system of value added tax.		implementation of the activity — 2027									
The reduced VAT rates have been analysed and brought in line with the requirements of Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax.	142. The reduced VAT rates have been analysed and brought in line with the requirements of Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax.	Ministry of Finance	In 2025–2027 Note: this is not an annual activity. Deadline for the implementation of the activity — 2027	Not due yet	Not due yet.				2027			
The VAT administration systems have been upgraded with due consideration of the requirements of the EU acquis.	143. The VAT administration systems have been upgraded with due consideration of the requirements of the EU acquis.	Ministry of Finance	In 2025–2030 Note: this is not an annual activity. Deadline for the implementation of the activity — 2030	Not due yet	Not due yet.							2030
4.3.6 “REFORMING THE EXCISE DUTY TAXATION”												
The tobacco product tax rates have been set in EUR.	144. The tobacco product tax rates have been set in EUR.	Ministry of Finance	In 2024–2029 Note: this is not an annual activity.	Not due yet	The Verkhovna Rada of Ukraine adopted Law of Ukraine No. 4115-IX of 04.12.2024 “On Amending the Tax Code of Ukraine and Other Laws of Ukraine to Review the Tobacco Product Excise Duty Rates”, which provided for establishing the tobacco product excise duty rates in EUR and their gradual, in 2025-2028, increase up to the minimum excise duty level						2029	

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
			Deadline for the implementation of the activity — 2029		set by Council Directive 2011/64/EU of 21 June 2011 on the structure and rates of excise duty applied to manufactured tobacco (codification). The Law of Ukraine was forwarded to the President of Ukraine to be signed on 09.12.2024.							
The schedule of approximation to the minimum excise duties has been extended to ensure the full approximation until 2029.	145. The schedule of approximation to the minimum excise duties has been extended to ensure the full approximation until 2029.	Ministry of Finance	In 2024–2029 Note: this is not an annual activity. Deadline for the implementation of the activity — 2029	Not due yet	The Verkhovna Rada of Ukraine adopted Law of Ukraine No. 4115-IX of 04.12.2024 “On Amending the Tax Code of Ukraine and Other Laws of Ukraine to Review the Tobacco Product Excise Duty Rates”, which provided for establishing the tobacco product excise duty rates in EUR and their gradual, in 2025–2028, increase up to the minimum excise duty level set by Council Directive 2011/64/EU of 21 June 2011 on the structure and rates of excise duty applied to manufactured tobacco (codification). The Law of Ukraine was forwarded to the President of Ukraine to be signed on 09.12.2024.						2029	
The level of the fuel excise duty has been brought in line with the minimum EU standards, by increasing the rates for five years.	146. The level of the fuel excise duty has been brought in line with the minimum EU standards, by increasing the rates for five years.	Ministry of Finance	In 2024–2029 Note: this is not an annual activity. Deadline for the implementation of the activity — 2029	Not due yet	The Verkhovna Rada of Ukraine adopted Law of Ukraine No. 3878-IX of 18.07.2024 “On Amending the Tax Code of Ukraine as to the Implementation of the European Union Acquis on the Excise Duty”, which provided for increasing the fuel excise duty rates up to the minimum level set by Directive 2003/96/EC.						2029	
The minimum excise duty rates used in the EU for alcoholic beverages have been introduced.	147. The minimum excise duty rates used in the EU for alcoholic beverages have been introduced.	Ministry of Finance	During 2028	Not due yet	The Verkhovna Rada of Ukraine adopted Law of Ukraine No. 3878-IX of 18.07.2024 “On Amending the Tax Code of Ukraine as to the Implementation of the European Union Acquis on the Excise Duty”, which increased the excise duty rates for the specific type of alcoholic beverages. The EU acquis is being analysed to increase the alcoholic beverage excise duty rates up to the					2028		

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					minimum level set by Council Directive 92/83/EEC. At the same time, the amendments made by Law No. 3878 to the Tax Code of Ukraine provide for the definition of “interim products” in accordance with Council Directive 92/83/EEC of 19 October 1992 on the harmonization of the structures of excise duties on alcohol and alcoholic beverages (subpoint 14.1.261 of point 14.1 of Article 14 of the Tax Code of Ukraine).							
The excise duty on sugar beverages has been introduced.	148. The excise duty on sugar beverages has been introduced.	Ministry of Finance	During 2027	Not due yet	The draft Law of Ukraine “On Amending the Tax Code of Ukraine to Introduce the Excise Duty on Waters, Including Mineral and Carbonated Ones, with Sugar or Other Sweetening or Aromatic Substances” (registration No. 9032-1 of 06.03.2023) has been registered with the Verkhovna Rada of Ukraine.				2027			
The global practices of work with tobacco product vending machines have been studied as a tool to fight the shadow market.	149. The global practices of work with tobacco product vending machines have been studied as a tool to fight the shadow market.	Ministry of Finance	In 2024–2028 Note: this is not an annual activity. Deadline for the implementation of the activity — 2028	Not due yet	In order to analyse the global practices of work with tobacco product vending machines as a tool to fight the shadow market, the STS has reviewed the reports on the trade policy prepared by the Republic of Iceland and the WTO Secretariat, and prepared the questions to be answered within the Trade Policy Review of the Republic of Iceland. The Ministry of Finance is analysing the EU acquis to study possibility of introducing sales of tobacco products from vending machines.					2028		
The subordinate acts on introduction of the automated system for controlling circulation of alcohol drinks, tobacco products and liquids used in electronic	150. The subordinate acts on introduction of the automated system for controlling circulation of alcohol drinks, tobacco products and liquids used in	Ministry of Finance	In 2024–2025 Note: this is not an annual activity. Deadline for the implementation of the	Not due yet	In pursuance of this activity, the Cabinet of Ministers of Ukraine adopted: on 26.04.2024, Resolution No. 466 “On Approving the Procedure for Keeping the Unified Register of Equipment for Preparation and Treatment of Tobacco, Tobacco Raw Materials, and Industrial Manufacturing of Tobacco Products”; on 24.05.2024, Ordinance No. 461-p “On Designating the State Enterprise ‘Ukraine Securities Printing Integrated Plant’ to Print Graphic Elements of Electronic Excise Duty Stamps”;		2025					

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
cigarettes (electronic traceability, Law of Ukraine No. 3173-IX of 29 June 2023) have been developed, and the IT solutions necessary for the operation of the Electronic system for controlling circulation of tobacco products, alcohol drinks and liquids used in electronic cigarettes have been introduced.	electronic cigarettes (electronic traceability, Law of Ukraine No. 3173-IX of 29 June 2023) have been developed, and the IT solutions necessary for the operation of the Electronic system for controlling circulation of tobacco products, alcohol drinks and liquids used in electronic cigarettes have been introduced.		activity — 2025		<p>on 04.10.2024, Resolution No. 1142 “Certain Matters of Establishment and Operation of the Electronic System for Circulation of Alcohol Drinks, Tobacco Products and Liquids Used in Electronic Cigarettes”;</p> <p>on 04.10.2024, Resolution No. 1143 “On Approving the Requirements for the Algorithm for Criteria for Formation of the Unique Group Identifier”;</p> <p>on 04.10.2024, No. 1144 “On Approving the Procedure for Executing the Excise Electronic Document and the Form of the Document”;</p> <p>on 04.10.2024, No. 1137 “On Approving the Procedure for Calculating the Excise Duty Amounts Due by the Economic Operators Being Manufacturers/Importers for the Unique Identifiers Formed”.</p> <p>The following orders of the Ministry of Finance were also approved:</p> <p>No. 99 of 29.02.2024 “On approving the forms of applications for registration of the equipment used to prepare and process tobacco, tobacco raw materials, and industrial production of tobacco products with the Unified Register of Equipment Used to Prepare and Process Tobacco, Tobacco Raw Materials, Industrial Production of Tobacco Products, for amending the data, for deleting the data from the Unified Register of Equipment Used to Prepare and Process Tobacco, Tobacco Raw Materials, Industrial Production of Tobacco Products”, which was registered with the Ministry of Justice on 14.03.2024 under No. 382/41727;</p> <p>No. 433 of 09.09.2024 “On amending Order of the Ministry of Finance of Ukraine No. 359 of 25 April 2015 ‘On approving the form of the Declaration of Maximum Retail Prices of Excise Goods (Products), the Procedure for Executing and Submitting the Declaration of Maximum Retail Prices of Excise Goods (Products)’”, which was registered with the Ministry of Justice on 24.09.2024 under No. 1439/42784).</p>							

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					Also, the following orders of the Ministry of Finance entered into force on 27.12.2024 (except for the specific rules to be in effect from 01.01.2026): No. 567 of 07.11.2024 “On Approving the Amendments to the Form of the Excise Duty Return, and the Procedure for Filling and Submitting Excise Duty Return”, registered with the Ministry of Justice on 21.11.2024 under No. 1752/43097; No. 609 of 28.11.2024 “On Amending Order of the Ministry of Finance of Ukraine No. 567 of 07 November 2024”, registered with the Ministry of Justice on 29.11.2024 under No. 1814/43159. It is prescribed by point 2 of Resolution of the Cabinet of Ministers of Ukraine No. 1142 of 04.10.2024 that the operation of the software of the Electronic System has to be tested from 1 March until 31 December 2025 in accordance with the Procedure for Establishment and Operation of the Electronic System for Circulation of Alcohol Drinks, Tobacco Products and Liquids Used in Electronic Cigarettes approved with the resolution, on a voluntary and free basis, with participation of the economic operators that carry out production and/or import and/or wholesale and/or retail trade in the goods (products) labelled with graphic elements of electronic excise duty stamps. At the same time, adaptation of the software of the Unified Register of Equipment for Preparation and treatment of Tobacco, Tobacco Raw Materials, and Industrial Manufacturing of Tobacco Products was adapted to the ICS “Single window for electronic reports” in the reporting year (the STS signed trial protocol No. ID 3816 of 23.02.2024 and Work Completion Report No. ID 3816/3872/3952 of 22.03.2024).							
4.3.7 “INTRODUCING THE ENVIRONMENTAL TAX ON CARBON DIOXIDE EMISSIONS”												
The model of imposition of the environmental tax on carbon	151. The model of imposition of the environmental	Ministry of Ecology and Natural Resources	In 2024–2025 Note: this	Not due yet	The Ministry of Ecology and Natural Resources and KPMG Ukraine have signed the Memorandum of Cooperation in Climate and Ecological Finance. The expert discussions are being held on the		2025					

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
dioxide emissions has been developed to replace taxation of actual volumes of carbon dioxide emissions with taxation of volumes of production (import) of fossil fuel (oil, gas, coal etc.) depending on the content of the carbon dioxide.	tax on carbon dioxide emissions has been developed to replace taxation of actual volumes of carbon dioxide emissions with taxation of volumes of production (import) of fossil fuel (oil, gas, coal etc.) depending on the content of the carbon dioxide.		is not an annual activity. Deadline for the implementation of the activity — 2025		optimum taxation model. Within the open expert discussion organised by the Ukrainian Climate Office on the theme “Carbon Pricing Scenarios and Assessment of Their Impact upon the Ukrainian Economy”, the international institutions, the Institute for Economics and Forecasting, and the Green Transition Office (GTO) have presented the first analytical reports on modelling of carbon pricing scenarios in order to determine the most optimum ones.							
The schedule of amendments to the environmental and tax legislation has been made based on the model developed.	152. The schedule of amendments to the environmental and tax legislation has been made based on the model developed.	Ministry of Ecology and Natural Resources	In 2024–2025 Note: this is not an annual activity. Deadline for the implementation of the activity — 2025	Not due yet	The Ministry of Ecology and Natural Resources and KPMG Ukraine have signed the Memorandum of Cooperation in Climate and Ecological Finance. The expert discussions are being held on the optimum taxation model. Within the open expert discussion organised by the Ukrainian Climate Office on the theme “Carbon Pricing Scenarios and Assessment of Their Impact upon the Ukrainian Economy”, the international institutions, the Institute for Economics and Forecasting, and the Green Transition Office (GTO) have presented the first analytical reports on modelling of carbon pricing scenarios in order to determine the most optimum ones.		2025					
4.3.8. “REFORMING THE LEGISLATION ON RENTAL PAYMENTS”												
4.3.8(a) “Reforming the rental payment for the use of the Ukrainian radiofrequency resource”												
All the increasing and decreasing factors applied to the rental	153. All the increasing and decreasing factors applied	Ministry of Finance	During 2024	Implemented	The Verkhovna Rada of Ukraine adopted Law of Ukraine No. 3721-IX of 21.05.2024 “On Amending the Tax Code of Ukraine and the Law of Ukraine ‘On Electronic Communications’ as to the Rental	2024						

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
payment for the use of the Ukrainian radiofrequency for cellular communication have been cancelled.	to the rental payment for the use of the Ukrainian radiofrequency for cellular communication have been cancelled.				Payment for the Use of the Ukrainian Radiofrequency Spectrum (Radiofrequency Resource)", which had been drafted by the Ministry of Finance jointly with the Ministry of Digital Transformation, the NCEC and the STS. The law entered into force on 01.07.2024. In particular, the following is prescribed by the law: application of decreasing factors until 01.09.2024; cancelling the increasing factors as soon as the martial law enacted by Decree of the President of Ukraine No. 64/2022 of 24.02.2022 "On the Imposition of Martial Law of Ukraine", which was approved by Law of Ukraine No. 2102-IX of 24.02.2022 "On Approving the Decree of the President of Ukraine 'On the Imposition of Martial Law in Ukraine'", is terminated or cancelled.							
4.3.8(b) "Reforming the tax treatment of the extraction sector"												
The legislative amendments have been developed as to limitation of the time during which a well may be considered new for the purposes of taxation with subsoil rent charges for natural gas production.	154. The legislative amendments have been developed as to limitation of the time during which a well may be considered new for the purposes of taxation with subsoil rent charges for natural gas production.	Ministry of Finance	During 2024	In progress, but delayed	When the draft Law of Ukraine "On Amending the Tax Code of Ukraine as to the Peculiarities of Taxation during the Martial Law" (registration No. 11416-д of 30.08.2024), which was adopted on 10.10.2024 as Law No. 4015, was considered in the Verkhovna Rada of Ukraine, the amendment by the Members of the Parliament N. P. Yuzhanina and others as to limitation of the time during which a well may be considered new for the purposes of taxation with subsoil rent charges for natural gas production was reviewed, and it was established that a well was considered to be new for three years after it was put into operation. However, the amendment was not supported by the Members of the Ukrainian Parliament.	2024						
The taxation of extraction industries has been analysed and assessed based on the needs of the post-	155. The taxation of extraction industries has been analysed and assessed based on the	Ministry of Finance	In the post-war period	Not due yet	As a part of the work to analyse the extraction industry and develop approaches to reformation of taxation in the oil and gas industry of Ukraine in the context of the National Revenue Strategy, the representatives of the Ministry of Finance, the STS and Ukrnafta with participation of the representatives of the Ministry of Energy and the State Service of			In the post-war period				

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
war recovery of the country.	needs of the post-war recovery of the country.				<p>Geology and Mineral Resources have taken part in operations of the technical mission of the Tax and Budget Department of the IMF from 25.05.2024 until 01.06.2024.</p> <p>The Verkhovna Rada of Ukraine adopted Laws of Ukraine No. 4015 of 10.10.2024 “On Amending the Tax Code of Ukraine and Other Laws of Ukraine to Ensure Balance of Budget Proceeds in Martial Law” and No. 4113 of 04.12.2024 “On Amending the Tax Code of Ukraine and Some Other Legislative Acts to Promote Development of the Digital Economy in Ukraine”, which amended the Tax Code of Ukraine as to the subsoil rent charges for production of mineral resources:</p> <p>1) for production of granite, raw materials for rabble stone, gravel, sand and gravel raw materials, sand and china clay — the existing procedure for determining the rental taxation base as estimated or actual value, whichever is higher, has been replaced with taxation at the average weighted (based on the selling volume) selling price of each mineral resource under supply contracts in the reporting period, but in any case not less than</p> <p>6.5 US dollars — for pebble stones, gravel, cellar stones, and fragmented stones,</p> <p>5 US dollars — for sand,</p> <p>120 US dollars — for upgradable china clay;</p> <p>40 US dollars — for non-upgradable (low-quality) china clay;</p> <p>2) it has been prescribed that the volume of the mineral resource extracted that is classified under code 2517 of the Ukrainian classifier of goods of foreign economic activity (pebble stones, gravel, cellar stones or fragmented stones used as a filler for concrete or to pebble roads), and is provided to the Armed Forces of Ukraine and other authorities for the purposes of national defence are not taxed with rental payments;</p> <p>3) the minimum differentiated rates of subsoil rent charges for natural gas production set for the actual</p>							

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					price of less than 150 US dollars have been cancelled.							
4.3.9 “ENHANCING THE FUNCTIONS OF THE LOCAL SELF-GOVERNMENT BODIES IN ADMINISTRATION OF THE TAXES PAID TO LOCAL BUDGETS”												
The legislative amendments to grant additional powers to the local self-government bodies in terms of administration of local taxes and levies have been drafted.	156. The legislative amendments to grant additional powers to the local self-government bodies in terms of administration of local taxes and levies have been drafted.	Ministry of Finance	During 2024	In progress, but delayed	The Ministry of Finance has prepared the legislative proposals on granting additional powers to the local self-government bodies in terms of administration of local taxes and levies. The activity is in progress.	2024						
The duty of the local self-government bodies to carry out inventory reconciliation of real estate and land plots to check whether they are on state registers as the items taxable with property taxes has been established in the legislation.	157. The duty of the local self-government bodies to carry out inventory reconciliation of real estate and land plots to check whether they are on state registers as the items taxable with property taxes has been established in the legislation.	Local self-government bodies	In 2024–2025 Note: this is not an annual activity. Deadline for the implementation of the activity — 2025	Not due yet	Not due yet.		2025					
The powers of the local self-government bodies to fill information bases of the Ministry of Justice with information on registered items	158. The powers of the local self-government bodies to fill information bases of the Ministry of Justice with	Local self-government bodies	In 2024–2025 Note: this is not an annual activity. Deadline for the	Not due yet	Not due yet.		2025					

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
and immovable property owners that has been copied from paper documents in the archives of the local self-government bodies have been set in the legislation.	information on registered items and immovable property owners that has been copied from paper documents in the archives of the local self-government bodies have been set in the legislation.		implementation of the activity — 2025									
The duty of the Ministry of Justice to update data in the State Register of Property Rights to Immovable Property based on the information provided by the local self-government bodies on the registered items and immovable property owners has been set in the legislation.	159. The duty of the Ministry of Justice to update data in the State Register of Property Rights to Immovable Property based on the information provided by the local self-government bodies on the registered items and immovable property owners has been set in the legislation.	Ministry of Justice	Continuously starting from 2024	In progress, but delayed	In order to ensure implementation of the activity, the specific list of the documents to be submitted by the local self-government bodies for data to be entered into the State Register of Rights on their basis needs to be made. Moreover, the procedure for establishing reliability and relevance of such documents is important. It is also necessary to establish the fact of granting corresponding powers to the local self-government bodies at the legislative level.	2024	2025	2026	2027	2028	2029	2030
The right of the local self-government bodies to gain access to information bases of the STS on the	160. The right of the local self-government bodies to gain access to information bases of the STS	State Tax Service	Continuously starting from 2024	In progress, but delayed	Proposals on the volume and form of access of the local self-government bodies to information bases of the STS on items and entities of taxation with local taxes and levies must be developed following the legislative regulation of the functions to be granted to the local self-government bodies in administration of the taxes and levies transferred to the local budgets.	2024	2025	2026	2027	2028	2029	2030

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
items and entities of taxation with local taxes and levies registered in the territory of corresponding local communities has been set at the legislative level.	on the items and entities of taxation with local taxes and levies registered in the territory of corresponding local communities has been set at the legislative level.				For reference. According to the minutes of the online meeting of the Congress of Local and Regional Authorities at the President of Ukraine in Lviv Oblast, which was held on 02.08.2024 under the chair of the Lviv Oblast Military Administration in Lviv, the Working Group for Enhanced Administration of Local Taxes and Levies (hereinafter the “Working Group”) was established, its composition and Regulation thereon were approved by Order of the Head of the Lviv Oblast Military Administration No. 1164/0/5-24BA of 30.10.2024. The Working Group is made of 34 representatives of budget and off-budget institutions. Two meetings of the Working Group were conducted. As a result of the meetings of the Working Group, a number of problematic issues that directly affected the volume of taxes paid to the local budgets were detected. In order to develop efficient proposals on how to eliminate the existing problematic issues in administration of local taxes and levies, the Lviv OMA suggests continuing activities of the Working Group in 2025.							
The legislative grounds for an inspection by the regulatory authorities based on the information collected by the local self-government bodies, as to owners or users of the immovable property that has not been duly taxed.	161. The legislative grounds for an inspection by the regulatory authorities based on the information collected by the local self-government bodies, as to owners or users of the immovable property that has not been duly taxed.	State Tax Service	Continuously starting from 2024	In progress, but delayed	The Ministry of Finance has prepared the legislative proposals on granting additional powers to the local self-government bodies in terms of administration of local taxes and levies. The activity is in progress.	2024	2025	2026	2027	2028	2029	2030

4.3.10 “IMPROVING THE LEGISLATION ON IMMOVABLE PROPERTY TAXATION”

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
The legal and normative act on the legal framework for the property appraisal procedure that reflects the current market value of real estate items and can be used for property taxation purposes has been approved.	162. The legal and normative act on the legal framework for the property appraisal procedure that reflects the current market value of real estate items and can be used for property taxation purposes has been approved.	State Property Fund	In 2024–2025 Note: this is not an annual activity. Deadline for the implementation of the activity — 2025	Not due yet	In order to discuss the goals set, to develop the uniform concept of achievement thereof, and also to agree upon principal provisions of the corresponding draft legal and normative act, the working group on drafting the legal and normative act on property appraisal for taxation purposes with participation of the representatives of the STS and the Ministry of Finance was established by Order of the State Property Fund of Ukraine No. 609 of 27.03.2024. The possible ways to perform the task, the information sources and European practices of immovable property taxation have been analysed. In 2024, a number of meetings were held with the representatives of the STS, the Ministry of Justice, and the meeting was held with the World Bank's representatives. The professionals in the field of immovable property appraisal, namely massive appraisal, are being consulted on provisions of the legal and normative act.		2025					
The items in the State Register of Property Rights to Immovable Property have been appraised.	163. The items in the State Register of Property Rights to Immovable Property have been appraised.	State Property Fund	In 2026–2027 Note: this is not an annual activity. Deadline for the implementation of the activity — 2027	Not due yet	Not due yet.				2027			
The information base has been filled with appraised value of the real estate items.	164. The information base has been filled with appraised value of the real estate items.	State Property Fund	During 2027	Not due yet	Not due yet.				2027			

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
The real estate item taxation model based on the appraised value has been developed.	165. The real estate item taxation model based on the appraised value has been developed.	Ministry of Finance	In 2027–2028 Note: this is not an annual activity. Deadline for the implementation of the activity — 2028	Not due yet	Not due yet.					2028		
4.3.11 “INTRODUCING THE UNIFIED APPROACH TO GRANTING TAX BENEFITS”												
The unified approach to apply tax incentives from 2025 to 2030 and the plan for reforming the tax legislation in pursuance of the approach have been developed.	166. The unified approach to apply tax incentives from 2025 to 2030 and the plan for reforming the tax legislation in pursuance of the approach have been developed.	Ministry of Finance	During 2024	Implemented	The Ministry of Finance has carried out inventory reconciliation of tax benefits and prepared distribution by the specialised ministries and other CEA. The Methodology for Assessing the Tax Policy Instruments Resulting in Tax Expenditures was approved by Order of the Ministry of Finance No. 474 of 27.09.2024 (posted on the website of the Ministry of Finance on 30.09.2024). The Methodology will be introduced and applied gradually to all the corresponding matters, which will result in the regular appraisal cycle for all the aspects during several years. The document defines the unified approach to assessment of the tax policy instruments resulting in tax costs, at the development stage — via the forecast (ex-ante) assessment (to determine the value of the corresponding benefit for the budget in the future), and following the introduction — via regular retrospective (ex-post) assessment (to determine efficiency of the tools, extent of achievement of their purpose, and improvement needs).	2024						
The requirements for continuous monitoring of tax preferences and	167. The requirements for continuous monitoring of	Ministry of Finance	During 2025	Not due yet	Not due yet.		2025					

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
assessment of efficiency and amount of budget losses have been set at the level of legal and normative acts.	tax preferences and assessment of efficiency and amount of budget losses have been set at the level of legal and normative acts.											
The activities set out in the plan for the uniform approach to application of tax incentives have been performed.	168. The activities set out in the plan for the uniform approach to application of tax incentives have been performed.	Ministry of Finance	In 2025–2029 Note: this is not an annual activity. Deadline for the implementation of the activity — 2029	Not due yet	Not due yet.						2029	
4.3.12 “USING BALANCED INCENTIVES TO DEVELOP THE PROCESSING INDUSTRY”												
The balance of the state support package granted to the processing industry has been assessed.	169. The balance of the state support package granted to the processing industry has been assessed.	Ministry of Economy	In 2024, following the activities set out in subsection 4.3.11	In progress, but delayed	According to Article 5 of the Law of Ukraine “On the State Support of Investment Projects with Considerable Investment”, an investment project with considerable investment that can be granted state support has to be implemented in the territory of Ukraine in the following areas: the processing industry (other than production and circulation of tobacco products, ethyl alcohol (except for production of bioethanol to be used as a fuel component), cognac and fruit spirits, alcoholic beverages); production of biogas and biomethane (including liquefied or compressed one), extraction of mineral resources for further processing and/or enrichment (other than stone and brown coal, crude oil and natural gas), waste treatment, transport, warehousing, postal and courier activities, logistics, education, scientific and scientific technical	Following the activities set out in subsection 4.3.11						

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					<p>activities, healthcare, art, culture, sports, tourism, resort and recreation, and electronic communications.</p> <p>According to point 4 of paragraph 3 of Article 34 of the Law of Ukraine “On Industrial Parks”, in order to create and maintain operations of industrial parks, managing companies, initiating economic operators and participants of industrial parts are granted tax and customs incentives in accordance with the legislation from the state and local budgets and from other legal sources.</p> <p>It is prescribed by point 142.4 of Article 142 of the Tax Code of Ukraine that profit of a participant of the industrial park on the Register of Industrial Parks is exempted from taxation if it is gained from economic operations in the processing industry (in particular, sections 13-17 of the Code of Types of Economic Activities 009:2010), only in the territory (within) the industrial park, for ten years running, starting from the first day of the month of the calendar quarter specified by the tax payer being the industrial park participant in the application for using the right to the exemption under this point that is submitted to the regulatory authority at the taxpayer’s place of registration in the free form, but in any case after the date of submission of the application.</p> <p>The procedure for the industrial park participant to use the funds exempted from taxation for development of its operations within the industrial park was approved by Resolution of the Cabinet of Ministers of Ukraine No. 1095 of 30.09.2022.</p> <p>It is prescribed by paragraph 6 of Article 287 of the Customs Code of Ukraine that when they are imported into the customs territory of Ukraine, the new equipment (machines) and spare parts imported by the industrial park participants on the Register of Industrial Parks that are classified under the specific codes pursuant to the Ukrainian classifier of goods of foreign economic activity are exempted from the duty.</p>							

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					The procedure for importing the new equipment (machines) and spare parts imported by the industrial park participants on the Register of Industrial Parks and for targeted use thereof was approved by Resolution of the Cabinet of Ministers of Ukraine No. 997 of 07.09.2022.							
The existing tax incentives associated with investment and their defects have been assessed based on their efficiency for the processing industry and achievement of the ultimate purpose of the support.	170. The existing tax incentives associated with investment and their defects have been assessed based on their efficiency for the processing industry and achievement of the ultimate purpose of the support.	Ministry of Economy	During 2024	In progress, but delayed	<p>In 2024, in pursuance of the activities set out in subsection 4.3.11 “Introducing the unified approach to granting tax benefits”, the Methodology for Assessing the Tax Policy Instruments Resulting in Tax Expenditures was approved by Order of the Ministry of Finance No. 474 of 27.09.2024 “On Approving the Methodology for Assessing the Tax Policy Instruments Resulting in Tax Expenditures”. Also, in 2024, in order to analyse capital investment, the Economic Development Committee of the Verkhovna Rada of Ukraine and the Ministry of Finance analysed the existing tax incentives to establish balance of the package of state support granted to the processing industry, to assess the existing tax incentives associated with investment and their defects.</p> <p>It was established following the analysis that the scope of capital investment in the country was inadequate for the processes of reproduction and renewal of fixed assets of enterprises, and the capital investment in the UUSD equivalent had been reduced from 7.6 billion US dollars in 2011 down to 6.1 billion US dollars.</p> <p>The principal sector into which the investment was directed was the manufacturing industry (35-40% of the total investment). Around half of such investment is investment into the processing industry.</p> <p>However, despite all the achievements in involvement of capital investment, Ukraine has suffered from chronic shortage of investment. The investment volume was incomparable with the size of the national economy.</p> <p>The low pace of renewal of the fixed capital resulted in the high level of depreciation of production</p>	2024						

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					<p>facilities and infrastructure, technological weakness and resulting deindustrialisation of the economy.</p> <p>The destructive effects of the war are obviously adding more complexity to shortage of investment. Under such critical circumstances, the state has faced the essential need to form the most favourable preconditions to raise capital investment into the processing industry. The existing support mechanisms are scattered around economic sectors to a large extent, but the limited national resources must be focused on investment into the processing industry as the key sector that manufactures capital-intensive, science-driven and high-technology products and causes the most positive multiplicative effects in the economy owing to internal and inter-industry ties.</p> <p>In order to draw large-scale into production sectors with the high added value, create new jobs and ensure economic recovery of Ukraine by introducing effective investment incentives in form of partial compensation for the investor's capital investments, in line with the European Commission's guidelines on regional state aid, the laws "On Amending Title XX 'Transitional Provisions' of the Tax Code of Ukraine on Compensation for Investment through Taxes" and "On Amending Point 4 of Title XXI 'Final and Transitional Provisions' of the Customs Code of Ukraine" were drafted.</p> <p>These draft laws provide for expanding the legislative framework for promoting investment into the Ukrainian processing industry based on the rules and principles in effect in the EU, by granting the following taxation benefits to the entity on the Register of Investors into Manufacturing Industry Investment Projects:</p> <ul style="list-style-type: none"> - VAT exemption for importing equipment for up to three years; - exemption from the corporate income tax for up to ten years from the launch of the investment project; - partial or full exemption from the land tax and 							

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					<p>rental payment for state and communal lands by the decision of the local self-government body;</p> <p>- investor's exemption from the duty when equipment and raw materials are imported, for up to three years.</p> <p>The exemption will apply to the legal persons registered in Ukraine (being residents) that carry out economic operations in Ukraine in the processing industry (except for alcohol, tobacco production etc.), industrial and/or domestic waste treatment (other than waste disposal).</p> <p>Moreover, according to the draft law, the procedure for keeping the Register of Investors into Manufacturing Industry Investment Projects, the procedure for including into and excluding from the Register as well as reporting on implementation of manufacturing industry investment projects will be approved by the Cabinet of Ministers of Ukraine.</p> <p>The maximum total size of benefits received will be limited to the following values:</p> <p>70% of investment (costs) for investment of 100 thousand to 1 million euros;</p> <p>50% of investment (costs) for investment of 1 to 20 million euros;</p> <p>30% of investment (costs) for investment of 20 to 50 million euros.</p>							
The ways to modernise the existing tax incentives have been determined in order to ensure their equal accessibility for both domestic and external investors regardless of the size of investment.	171. The ways to modernise the existing tax incentives have been determined in order to ensure their equal accessibility for both domestic and external investors regardless of the size of investment.	Ministry of Economy	During 2024	In progress, but delayed	<p>According to point 23 of the Memorandum for Economic and Financial Policy in Annex I to Letter of Ukraine to the IMF, Ukraine undertakes to keep avoiding the tax policy and administration activities that might have a negative impact upon the base of tax and/or customs proceeds, and inclusion of new categories of taxpayers into the existing beneficial treatments.</p> <p>In pursuance of point 3 of Title II "Final and Transitional Provisions" of the Law of Ukraine "On the State Support of Investment Projects with Considerable Investment" in connection with investment projects with considerable investment that can be granted state support, the following legal</p>	2024						

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
	investment.				<p>and normative acts were developed and approved in 2024:</p> <ul style="list-style-type: none"> - Resolution of the Cabinet of Ministers of Ukraine No. 2 of 03.01.2024 “On Amending the Cabinet of Ministers of Ukraine Resolution No. 860 of 11 January 2021” (Procedure for Importing Equipment into the Customs Territory); - Resolution of the Cabinet of Ministers of Ukraine No. 18 of 09.01.2024 “On Amending Procedure for Interacting with the Authorised Institution No. 647”; - Resolution of the Cabinet of Ministers of Ukraine No. 29 of 12.01.2024 “On Amending Resolution of the Cabinet of Ministers of Ukraine No. 805 of 04.08.2021” (Procedure for Keeping the Register); - Resolution of the Cabinet of Ministers of Ukraine No. 112 of 02.02.2024 “On Amending Resolutions of the Cabinet of Ministers of Ukraine No. 515 of 19 May 2021 and No. 648 of 23.06.2021” (Requirements for the Feasibility Study, Requirements for the Financial Capacity, and Assessment Procedure and Methodology); - Resolution of the Cabinet of Ministers of Ukraine No. 222 of 01.03.2024 “On Amending the Methodology for Calculating the Volume of State Support for the Implementation of the Investment Project with Considerable Investment”; - Resolution of the Cabinet of Ministers of Ukraine No. 292 of 15.03.2024 “On Approving the Procedures for Compensating for the Cost of the Utility and Transport Infrastructural Facilities Constructed by the Application or the Investor with Considerable Investment, and Compensating for Costs to Connect to the Utility and Transport Networks for the Implementation of the Investment Project with Considerable Investment”; - Resolution of the Cabinet of Ministers of Ukraine No. 312 of 12.03.2024 “On Approving the Procedure and Methodology for Assessing the Investment Project with Considerable Investment”; - Resolution of the Cabinet of Ministers of Ukraine 							

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					<p>No. 468 of 26.04.2024 “On Approving the Procedure for Using State Budget Funds to Ensure State Support of Investment Projects with Considerable Investment”;</p> <p>- Order of the Ministry of Economy No. 7244 of 20.03.2024 “On Approving the Template of the Special Investment Agreement”.</p> <p>In pursuance of Article 34 of the Law of Ukraine “On Industrial Parks”, in order to increase efficiency of state stimulation of development of industrial parks, including the deoccupied territories, the new Procedure for Granting Funds to Arrange Industrial Parks and/or Support Construction of Utility and Transport Infrastructural Facilities for the Creation and Operation of Industrial Parks, and for Compensating for Costs to Connect to Utility and Transport Networks (hereinafter the “Procedure”) was approved by Resolution of the Cabinet of Ministers of Ukraine No. 644 of 04.06.2024 (hereinafter “Resolution No. 644”).</p> <p>The Procedure for Using the Funds Allocated from the State Budget for State Stimulation of Creation of Industrial Parks was approved by Resolution of the Cabinet of Ministers No. 341 of 29.03.2024.</p> <p>The form of the state stimulation agreement on granting (partly granting) funds on a non-refundable basis to arrange industrial parks and/or support construction of utility and transport infrastructural facilities necessary for the creation and operation of industrial parks was approved on 12.07.2024 with No. 2901-01/20.</p> <p>The form of the application for acceding to the state stimulation agreement on granting (partly granting) funds on a non-refundable basis to arrange industrial parks and/or support construction of utility and transport infrastructural facilities necessary for the creation and operation of industrial parks was approved by Order of the Ministry of Economy No. 17014 of 17.07.2024.</p>							

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
Different options of taxation of virtual assets that are possible in the Ukrainian context have been analysed.	172. Different options of taxation of virtual assets that are possible in the Ukrainian context have been analysed.	National Securities and Stock Market Commission (by agreement)	In 2024–2025 Note: this is not an annual activity. Deadline for the implementation of the activity — 2025	Not due yet	The VRU is considering the draft Law of Ukraine “On Amending the Tax Code of Ukraine and Other Legislative Acts of Ukraine to Regulate Circulation of Virtual Assets in Ukraine” (registration No. 10225 of 07.11.2023) and the alternative draft Law of Ukraine with the same name (registration No. 10225-1 of 28.02.2024), which provides for definition of the tax treatment of transactions involving virtual assets as well as regulation of the public relations associated with issue, offer to the public, admission to trading, and circulation of virtual assets in accordance with the best international practices and EU acquis, namely Regulation (EU) 2023/1114 of 31 May 2023 on markets in crypto-assets (MiCA), which will increase the level of protection of rights of the investors owing virtual assets and clients of the service provides associated with circulation of virtual assets.		2025					
The guidelines on virtual assets taxation consistent with the EU rules on information exchange (DAC8) and the initiatives of the OECD Global Form have been developed.	173. The guidelines on virtual assets taxation consistent with the EU rules on information exchange (DAC8) and the initiatives of the OECD Global Form have been developed.	National Securities and Stock Market Commission (by agreement)	In 2024–2025 Note: this is not an annual activity. Deadline for the implementation of the activity — 2025	Not due yet	The Ministry of Finance has taken part in the coordination meeting with the technical mission experts of the IMF’s Fiscal Affairs Department (FAD), the Monetary and Capital Markets Department (MCM), and the Legal Department (LEG) on organisational matters of further interaction in update of the effective legislation on virtual assets and matters of taxation of transactions involving virtual assets.		2025					
The law on amending the Tax Code of Ukraine as to peculiarities of taxation of transactions involving virtual assets has been drafted.	174. The law on amending the Tax Code of Ukraine as to peculiarities of taxation of transactions involving virtual assets has been	National Securities and Stock Market Commission (by agreement)	In 2024–2025 Note: this is not an annual activity. Deadline for the	Not due yet	The VRU is considering the draft Law of Ukraine “On Amending the Tax Code of Ukraine and Other Legislative Acts of Ukraine to Regulate Circulation of Virtual Assets in Ukraine” (registration No. 10225 of 07.11.2024) and the alternative draft Law of Ukraine with the same name (registration No. 10225-1 of 28.02.2024). The Ministry of Finance has taken part in the coordination meeting with the technical mission		2025					

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
	drafted.		implementation of the activity — 2025		experts of the IMF's Fiscal Affairs Department (FAD), the Monetary and Capital Markets Department (MCM), and the Legal Department (LEG) on organisational matters of further interaction in update of the effective legislation on virtual assets and matters of taxation of transactions involving virtual assets. On 20.08.2024, the NBU and the NSSMC received the expert recommendations from the IMF on the development of the regulatory framework for operation of the virtual assets market in Ukraine. The expert recommendations of the IMF are going to be processed, and the new legislation on virtual assets is going to be drafted by the NBU and the NSSMC as a part of operations of the counselling and advisory body (committee).							
5.2. "CONTENT OF THE CUSTOMS ADMINISTRATION ACTIVITIES"												
5.2.1 "ENHANCING ANTI-CORRUPTION ACTIVITIES, AND RAISING TRUST IN THE CUSTOMS AUTHORITIES"												
The system for preventing and countering corruption in the State Customs Service has been improved, and the mechanisms for transparency, integrity and mitigation of corruption risks have been enhanced. The statement on implementation of the Anti-Corruption Programme has been made public.	175. The system for preventing and countering corruption in the State Customs Service has been improved, and the mechanisms for transparency, integrity and mitigation of corruption risks have been enhanced. The statement on implementation of the Anti-Corruption Programme has been made public.	State Customs Service	In 2024–2025 Note: the progress is updated annually	In progress (Implemented in 2024)	1. The new Procedure for Organising the Work with Reports on Corruption or Corruption-Related Offences in the executive office of the State Customs Service and its territorial bodies approved by Order of the State Customs Service No. 666 of 23.05.2024 was developed and approved as the State Customs Service was connected to the Unified Whistleblowing Portal. 2. In May 2024, the State Customs Service became an official partner of the WCO Anti-Corruption and Integrity Promotion (A-CIP) Programme, which was an important step to enhance the activities within the effective Anti-Corruption Programme of the State Customs Service for 2023–2025. The Programme is going to be implemented from May 2024 to September 2025. One of the effects of the programme is possible improvement of the customs legislation in the area of anti-corruption. The resolutions of the CMU on the procedures for taking lie detector tests, passing integrity and lifestyle monitoring inspections are being drafted. 3. In pursuance of A-CIP Programme implemented	2024	2025					

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					<p>jointly with the State Customs Service, on 02-30 September 2024, the consulting company of the global level PwC Berlin conducted the survey about integrity in Kyiv, Zakarpattia, Lviv, Chernivtsi and Volyn Customs Offices in order to obtain quantitative assessment of integrity promotion in the State Customs Service and of private stakeholders.</p> <p>4. The Key Performance Indicators of the Anti-Corruption Programme of the State Customs Service for 2023–2025, which were approved by Order of the State Customs Service No. 1315 of 10.12.2024, were developed with participation of the international partners of the State Customs Service.</p> <p>5. In order to implement the specific activities under the State Anti-Corruption Programme for 2023–2025 approved by Resolution of the Cabinet of Ministers of Ukraine No. 220 of 03.04.2023, the State Customs Service ensured drafting of the Order of the Ministry of Finance of Ukraine “On Amending the Procedure for Analysing and Assessing Risks, Developing and Implementing Risk Management Actions to Determine Customs Control Forms and Scope”. The Order was issued by the Ministry of Finance of Ukraine on 24.06.2024 under No. 305 and registered with the Ministry of Justice of Ukraine on 26.06.2024 under No. 964/42309 (Order of the Ministry of Justice of Ukraine No. 1910/5 of 26.06.2024 “On the State Registration of the Legal and Normative Act”).</p> <p>6. Following the implementation of the Anti-Corruption Programme of the State Customs Service for 2023-2025 approved and enacted by Order of the State Customs Service No. 236 of 31.05.2023 in the first and second half of 2024, the information was posted on the official website of the State Customs Service in the section “Preventing corruption” at https://customs.gov.ua/zapobigannia-proiavam-koruptsiyi</p> <p>The report on implementation of the Anti-Corruption Programme has also been posted on the integrity portal of the NACP.</p>							

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
The internal security units have been reformed and granted the authority to conduct operative and search activities. The efficiency of detection of involvement of officials of the State Customs Service into unlawful activities and facilitation of the customs legislation has been increased.	176. The internal security units have been reformed and granted the authority to conduct operative and search activities. The efficiency of detection of involvement of officials of the State Customs Service into unlawful activities and facilitation of the customs legislation has been increased.	State Customs Service	In 2024–2026 Note: this is not an annual activity. Deadline for the implementation of the activity — 2026	Not due yet	The ways to amend the legislative acts are being processed to determine legal mechanisms for operative and search activities, and to draft the legal and normative acts on the actual mechanism for exercising powers of the internal security units of the State Customs Service in operative and search activities, namely: Article 5 of the Law of Ukraine “On Operative and Search Activities” to add the internal security units of the State Customs Service to the list of the units responsible for operative and search activities; Article 2 of the Law of Ukraine “On State Protection of Staff of Courts and Law Enforcement Authorities” to include the State Customs Service into the list of law enforcement authorities; Article 41 of the Criminal Procedure Code of Ukraine by including the internal security units into the list of operative units; Article 569 of the Customs Code of Ukraine by prescribing that the officers of the customs authorities responsible for operative and search activities are operative employees while officers of the investigative unit are officials; point 4 of the Regulation on the State Customs Service of Ukraine to specify the tasks of operative and search activities and pre-trial investigation; to draft the subordinate normative acts that would establish the special procedure for such activities, special requirements for education and training of candidates for such positions, the special direction of professional training and advance training, the system for protection and processing of information to be received during operative and search activities etc.; to prepare financial and economic estimates for these activities (financial, material and technical support of the internal security units of the State Customs Service etc.), and to determine sources of financing.			2026				
The special conditions for	177. The special conditions for	State Customs	In 2024–2026	Not due yet	The following has been processed: draft Law of Ukraine “On Amending the Customs			2026				

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
civil service in the customs authorities have been introduced (certification of officials, regular integrity reviews of the personnel, including by means of a lie detector, formation of the talent pool, the incentive and social guarantee system etc.).	civil service in the customs authorities have been introduced (certification of officials, regular integrity reviews of the personnel, including by means of a lie detector, formation of the talent pool, the incentive and social guarantee system etc.).	Service	Note: this is not an annual activity. Deadline for the implementation of the activity — 2026		Code of Ukraine as to the Implementation of Certain Provisions of the European Union Customs Code” (registration No. 10411 of 16.01.2024). The draft law was adopted by the Verkhovna Rada of Ukraine (Law of Ukraine No. No. 3926-IX of 22.08.2024); draft Law of Ukraine “On Amending the Customs Code of Ukraine as to the Peculiarities of the Service with the Customs Authorities, and Certification of Officials of the Customs Authorities” (registration No. 6490-д of 06.04.2023). The draft law was adopted by the Verkhovna Rada of Ukraine (Law of Ukraine No. No. 3977-IX of 17.09.2024). According to the draft Law of Ukraine “On Amending the Customs Code of Ukraine as to the Peculiarities of the Service with the Customs Authorities, and Certification of Officials of the Customs Authorities” (registration No. 6490-д of 06.04.2023), the matters of the disciplinary charter have been deleted from the latest version of Law of Ukraine No. 3977-IX of 17.09.2024. The Resolution “On Approving the Procedure for Psychophysiological Interview of Officials of the Customs Authorities and Candidates for Civil Service Positions in the Customs Authorities with a Lie Detector” has been drafted. At the same time, the reviews have been received from the National Academy of the Security Service of Ukraine and the Kyiv Scientific Research Institute of Forensic Expertise; the conclusions in there show that the regulation on and the algorithm for lie detector tests set out in the draft Procedure meet the general requirements and standards for such tests. The draft Procedure duly covers all the necessary components to be regulated and has adequate content. According to Order of the State Customs Service No. 480 of 04.11.2022 “On Organising the Work of the Agency Security and Control Department of the State Customs Service and Its Internal Units”, 489 activities were performed to prevent the persons							

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					whose moral and professional traits failed to conform to the integrity principles from being designated to the customs authorities.							
The pilot project involving the use of body video cameras during customs formalities has been implemented. The report on the implementation of the pilot project has been prepared. The working process of customs officers is recorded with body video cameras to reduce corruption risks and to protect honour and dignity of customs officers.	178. The pilot project involving the use of body video cameras during customs formalities has been implemented. The report on the implementation of the pilot project has been prepared. The working process of customs officers is recorded with body video cameras to reduce corruption risks and to protect honour and dignity of customs officers.	State Customs Service	In 2024–2027 Note: this is not an annual activity. Deadline for the implementation of the activity — 2027	Not due yet	The Pilot Project was implemented in the State Customs Service from 01.11.2023 until 01.11.2024 pursuant to Order of the State Customs Service No. 380 of 14.08.2023 “On Introducing the Pilot Project” (as amended). The location of the Pilot Project is Rava-Ruska Checkpoint of the Lviv Customs Office. The number of the officers at Rava-Ruska Checkpoint of the Lviv Customs Office is four shifts, with 115 persons in total. The number of personal portable video cameras (hereinafter the “PPVC”) is 64. The implementation of the Pilot Project was supported with the international technical assistance from the EU Advisory Mission. On 23.05.2024, the interim report was submitted on the implementation of the pilot project involving the use of personal portable cameras at Rava-Ruska Checkpoint. It was decided to continue and expand the practice of applying personal portable video cameras at the other customs offices of the State Customs Service. The act to amend Resolution of the Cabinet of Ministers of Ukraine No. 370 of 08.06.2016 “On Approving the Procedure for Photo and Video Recording of Customs and Other Formalities by the Regulatory Authorities” is being drafted. Testing of the technical suite of Motorola PPVC with the online access function and the matter of enhancing the PPVC fixation system are considered.				2027			
5.2.2 “SUPPORTING AND COOPERATING WITH BUSINESSES”												
The HelpDesk responsible for prompt response to applications from citizens and entities involved into foreign	179. The HelpDesk responsible for prompt response to applications from citizens and entities	State Customs Service	In 2025–2026 Note: this is not an annual activity.	Not due yet	The Concepts of the HELP DESK Contact Centre of the State Customs Service and the Action Plan in Pursuance of the Concept of the State Customs Service, which were approved by Order of the State Customs Service No. 21 of 08.01.2024 “On Approving the HELP DESK Contact Centre of the State Customs Service and the Action Plan for the			2026				

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
economic activities, resolution of problems, coordination of customs authorities in such resolution, and proposals on how to resolve regulatory gaps has been established.	involved into foreign economic activities, resolution of problems, coordination of customs authorities in such resolution, and proposals on how to resolve regulatory gaps has been established.		Deadline for the implementation of the activity — 2026		<p>Implementation Thereof”, were drafted.</p> <p>According to the Action Plan, the HELP DESK Contact Centre of the State Customs Service is going to be established at the Coordination and Monitoring Customs Office.</p> <p>Also, the updated Regulation on the Coordination and Monitoring Customs Office (submitted to the Ministry of Finance for approval) and the draft Regulation on the Contact Centre have been developed.</p> <p>The Operating Procedure of the HELP DESK Contact Centre of the State Customs Service is also being developed.</p> <p>The premises for the Contact Centre have been allocated.</p> <p>Also, the 3D model of the Contact Centre and the cost estimate of reconstruction and redecoration of the premises for the Contact Centre have been developed.</p> <p>The officials from the executive office of the State Customs Service and the Coordination and Monitoring Customs Office are trained on administration and support of the IT element of the HELP DESK.</p> <p>The work is also under way to form the knowledge base with standard questions and answers about legal and normative acts on customs matters in order to ensure prompt information exchange between the State Customs Service and the entities involved into foreign economic activities and citizens.</p> <p>The State Customs Service has conducted by software procurement procedure for the HELP DESK system (agreement No. 2024/4-3-194 of 28.03.2024). The working group has been established to manage the IT project “Creating the HELP DESK System” (Order of the State Customs Service No. 527 of 19.04.2024).</p> <p>The Plan for the Implementation of the HELP DESK System as well as the schedule have been developed and signed.</p>							

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					<p>As a part of the project, the server equipment has been deployed, and the software has been installed for the HELP DESK, the licenses purchased under the contract have been downloaded.</p> <p>The IT incident management process, the maintenance request management process, and the IT asset management process have been set up. The processes have been tested.</p> <p>The HELP DESK System has been integrated (automated creation of incidents from the systems) into the IT resource monitoring system, Zabbix, and the utility infrastructure monitoring system, StruxtureWare (monitoring of UPS, air conditioners etc.).</p> <p>The following business processes have been described and implemented: IT incident management; maintenance requests; IT asset management.</p> <p>The HELP DESK system has been deployed and set up.</p> <p>The State Customs Service has developed the specification of the Hardware and Software Suite of the HELP DESK Contact Centre and its set-up services approved by the experts involved by the EU4PFM. The procurement procedures are carried out in pursuance of the EU4PFM.</p>							
The use of the national AEO programme and the simplification system has been expanded. The control functions of the State Customs Service have been optimised by focusing on risk operations and control over the	180. The use of the national AEO programme and the simplification system has been expanded. The control functions of the State Customs Service have been optimised by focusing on	State Customs Service	Starting from 2024	In progress (Implemented in 2024)	<p>As of 01.01.2025, 77 undertakings had AEO authorisations in Ukraine.</p> <p>In 2024, the State Customs Service received 80 applications for the AEO authorisation. The assessment of 56 enterprises that have received 58 AEO authorisations has been completed (21 AEO authorisations were granted in 2023). In 2024, two enterprises were granted the AEO authorisation “confirmation of safety and reliability” (in 2023, the authorisation was granted to one enterprise).</p> <p>At the eighth meeting of the EU-Ukraine Customs Sub-Committee, which was held online on 08.10.2024, the EU noted the progress in the growing number of authorised economic operators in Ukraine.</p>	2024	2025	2026	2027	2028	2029	2030

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
quality of customs formalities.	risk operations and control over the quality of customs formalities.				<p>However, it was stated by the EU that the mutual recognition agreement required all the necessary actions to increase the number of AEOs in Ukraine, especially for the type “confirmation of safety and reliability”. The EU also confirmed that Ukraine had to reach the indicator of 10 AEOs of the type “confirmation of safety and reliability”. As of 01.01.2025, only three enterprises in Ukraine had the status of authorised economic operators of the type “confirmation of safety and reliability” (AEO-B).</p> <p>Also, on 22.05.2024, there was a working meeting of the representatives of the State Customs Service and the representatives of the Customs Service of the Republic of Moldova on the operation of authorised economic operators in both countries.</p> <p>At the meeting, the Ukrainian and Moldovan customs officers exchanged detailed presentations about different aspects of AEO. In particular, they were associated with assessment of the undertaking’s conformity to the authorisation conditions and criteria, peculiarities of monitoring of the undertaking’s conformity, and benefits and simplifications for AEO.</p> <p>The matter of mutual recognition of the Authorised Economic Operators of Ukraine and the Republic of Moldova was discussed at the trilateral meeting of delegations of the customs services of Ukraine, the Republic of Moldova and Romania.</p> <p>After the matter had been processed, the Customs Service of the Republic of Moldova was informed in the letter of the State Customs Service that it was too early to conclude the agreement since the EU had informed at the second round of the bilateral meeting between Ukraine and the European Commission within the screening of conformity of the Ukrainian legislation to the EU acquis in the area “Public finance management system” that the bilateral trade agreements and the agreements that would influence operations of the EU and the Customs Union (including the ones on mutual recognition of AEO)</p>							

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					would have to be terminated following the accession to the EU and, therefore, the Customs Union. Moreover, the Moldovan side was proposed to continue sharing practices in operation of the AEO programme and reconsider a possible agreement on mutual recognition when Ukraine had at least ten undertakings with AEO-B authorisation. Also, as of 01.01.2025, 605 authorisations for simplifications were granted in 2024; they included 356 authorisations for simplifications under the Customs Code of Ukraine and 249 authorisations for the use of transit simplifications under the Convention on a common transit procedure. In order to promote the AEO programme, the State Customs Service conducts regular workshops, round tables, meetings, consultations with business representatives, their associations, and posts information on the AEO programme at its resources. The information on authorised economic operators is also discussed at meetings with business associations, namely at the meeting with the American Chamber of Commerce and the European Business Association. The workshop organised by the Association of Customs Brokers of Ukraine, the workshop organised by PwC Ukraine and the meeting with the undertakings held by the Poltava Customs Office have been attended. Moreover, based on the results of the first half 2024, the heads of the customs offices were instructed to enhance their work and involve more undertakings into the process of AEO authorisation, authorisations for simplifications, including transit simplifications.							
The level of trust of businesses and the public in the customs authorities has been increased. The defects have been eliminated,	181. The level of trust of businesses and the public in the customs authorities has been increased. The defects have	State Customs Service	In 2024–2026 Note: the progress is updated annually	In progress, but delayed	1. In 2024, the State Customs Service took part in the first stage of the Customs Integrity Perception Survey (CIPS). The initiative was a part of cooperation with the WCO Anti-Corruption and Integrity Promotion (A-CIP) Programme. The data collected will be a basis for future reformation and improvement of the customs authorities in Ukraine. In September 2024, the survey covered 448	2024	2025	2026				

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
and the proposals have been implemented based on the level of assessment with satisfaction with operations of the customs authorities.	been eliminated, and the proposals have been implemented based on the level of assessment with satisfaction with operations of the customs authorities.				<p>employees of the customs authorities and 477 representatives of the private sector in five regions of Ukraine. The number of the respondents allows claiming with more than 95% of statistical reliability that the responses given in the survey represent the opinions of all the representatives in both groups. The findings demonstrate a number of important trends. First, both customs officers and businesses have a generally positive opinion on operations of the senior executives of the State Customs Service as well as progress in modernisation of the agency. It means that the directions of development and readiness to cooperate are perceived the same way. Second, 89% of the business representatives surveyed emphasised their aptitude for ethical conduct: for instance, they would refuse from or ignore a request for bribe to accelerate procedures. However, a little number of the respondents would agree to offer an improper advantage to officers. More than 20% of the surveyed in the private sector claimed that they did not feel safe when they reported on corruption. At the same time, 100% of the respondents who had faced integrity-related cases involving the customs authorities noted their positive interaction.</p> <p>Two third of the entities involved into foreign economic activity confirmed that they strictly adhered to the customs rules while one third felt that they could have problems resulting from the complex legislation.</p> <p>The participation in the CIPS has not only enabled assessing the current integrity status, but also laid the basis for targeted reforms: enhancing the anti-corruption mechanisms and improving interaction with businesses.</p> <p>The State Customs Service is developing the plan for using the findings of the survey with the support by the WCO Anti-Corruption and Integrity Promotion (A-CIP) Programme, in order to involve other stakeholders and introduce efficient integrity</p>							

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					<p>solutions.</p> <p>2. In 2024, the work was performed to set up communication with civil society institutions, in particular, via the Public Council at the State Customs Service.</p> <p>In 2024, the open consultations with the public were organised: in particular, four meetings of the Public Council at the State Customs Service were held, one field meeting in Odesa, Lviv and Kyiv Customs Offices, and two remote workshops:</p> <ul style="list-style-type: none"> - on resumption of inspections of compliance with the Ukrainian legislation on customs affairs since 1 May 2024; - on the new rules of the customs legislation under the Law of Ukraine No. 3926 of 22.08.2024 “On Amending the Customs Code of Ukraine as to the Implementation of Certain Provisions of the European Union Customs Code”. <p>3. In January 2024, the public discussion of monitoring of outcomes of the complaints against actions of officers in the executive office of the State Customs Service and its territorial bodies considered in 2023 was held.</p> <p>4. The territorial bodies of the State Customs Service regularly hold events for representatives of the business community and the public to furnish explanations on the main operations of the State Customs Service and to raise awareness of legislative amendments, in particular, to promote the Institute of an Authorised Operator and to involve the entities involved into foreign economic activity into AEO authorisations.</p> <p>5. Public communication with target audiences is carried out by posting information in available communication channels, namely the official web portal of the State Customs Service and on social media pages, as well as communication with the mass media representatives, comments, interviews etc.</p> <p>The awareness raising campaigns have also been conducted on operational priorities of the State</p>							

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					Customs Service: IT transformation, the common transit procedure (NCTS), development of the institute of an authorised economic operator (AEO), improvement of operations of checkpoints, international interaction, work with representatives of the business community, anti-corruption activities etc.							
The efficient and selective customs control, faster customs clearance have been ensured, and the control functions of the State Customs Service have been optimised.	182. The efficient and selective customs control, faster customs clearance have been ensured, and the control functions of the State Customs Service have been optimised.	State Customs Service	In 2024–2027 Note: the progress is updated annually	In progress (Implemented in 2024)	1. The State Customs Service ensures implementation of the activities aimed at putting technical means (cargo scanning systems, weighing systems etc.) for customs control of cargo vehicles into service and operation, in order to simplify and accelerate customs procedures at the state border checkpoints. As a result of the activities: - the customs offices have the officers (at the level of the deputy head of the customs office) responsible for efficient application of cargo scanning systems and weighing systems by the customs offices; based on daily information on the findings by the cargo scanning systems and weighing complexes, corresponding actions are taken, where necessary; the positions have been filled in the units in the Volyn, Zakarpattia, Lviv and Chernivtsi Customs Offices; - in April 2024, the acceptance trial of the mobile cargo scanning system Rapiscan installed at Chop automobile checkpoint (Zakarpattia Customs Office) was carried out with the participation of the representatives of the State Customs Service in the UK; - in spring 2024, four officials from the Odesa, Lviv, Zakarpattia and Chernivtsi Customs Offices completed the training course in Leipzig (Germany) “Managing scanning systems, analysing images, and maintenance” with the support of the embassy of the Federal Republic of Germany; - in December 2024, Porubne and Uzhhorod automobile checkpoints received the mobile cargo scanning systems Rapiscan, which had been tested in	2024	2025	2026	2027			

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					<p>October 2024 at the manufacturer's site with the participation of the representatives of the State Customs Service, were received within the USAID Economic Support to Ukraine Project;</p> <ul style="list-style-type: none"> - the Volyn, Zakarpattia, Lviv, Odesa and Chernivtsi Customs Offices completed the activities to make corresponding amendments to the Technological charts of movement of persons, vehicles and cargoes for the automobile checkpoints equipped with cargo scanning systems, in connection with application of these scanning systems during control procedures. <p>2. In order to ensure the balance and the same numbers of employees in the customs clearance units of customs offices of the State Customs Service as in the customs clearance units of neighbouring countries at the automobile checkpoints, the following measures were taken.</p> <p>The automobile checkpoints currently operate at six customs offices (Lviv, Vinnytsia, Volyn, Zakarpattia, Odesa and Chernivtsi).</p> <p>3. Pursuant to the approved priorities of development and implementation of risk management activities, the new risk management tools have been developed and the existing ones have been updated; in particular, from 01.01.2024 until 31.12.2024:</p> <ul style="list-style-type: none"> - 22 new risk profiles were approved, and 42 existing risk profiles were updated. In order to optimise operations of specific risk profiles, the standard analysis conditions were introduced; - five decisions were made to update the risk indicators and parameters thereof used to select customs control forms and scope; - the Guidelines on Analysing, Identifying and Assessing Risks with the Preliminary Information Received from the Foreign Competent Authorities were approved (Order of the State Customs Service No. 888 of 19.07.2024 "On Certain Matters of Applying the RMS in the Analysis of Preliminary Information"). <p>4. The automated means of safety and reliability risk</p>							

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					analysis and assessment have been implemented by the State Customs Service with the data included into the entry summary declaration (hereinafter the “ESD”). From January to December 2024, around 1.39 ESDs were submitted. Moreover, following the automated analysis of information from ESDs in movement of goods and commercial vehicles across the customs border of Ukraine, the need to carry out customs formalities in connection with documentary checks was established for more than 150 thousand movements and customs formalities for customs inspections of 497 movements.							
The unified approach to customs clearance of goods in the customs authorities of Ukraine has been ensured. The quality of customs formalities has been improved by introducing customs competence units. Corruption has been mitigated.	183. The unified approach to customs clearance of goods in the customs authorities of Ukraine has been ensured. The quality of customs formalities has been improved by introducing customs competence units. Corruption has been mitigated.	State Customs Service	In 2024–2027 Note: the progress is updated annually	In progress (Implemented in 2024)	1. In order to ensure the unified approach to customs clearance of goods in the customs authorities and prevent unjustified application of the forms and volumes of customs control, the action algorithm for independent structural subdivisions of the State Customs Service was established by Order of the State Customs Service No. 888 of 19.07.2024 “On Certain Matters of Applying the RMS in the Analysis of Preliminary Information” in order to ensure use of the preliminary information received automatically from the foreign competent authorities in the ARMS, and the Guidelines on Analysing, Identifying and Assessing Risks with the Preliminary Information Received from the Foreign Competent Authorities were approved. Also, in order to introduce the unified approach in development of certain risk management activities, including targeting, and control practical implementation thereof, the corresponding Interaction Procedure was approved by Order of the State Customs Service No. 1085 of 16.09.2024 “On the Interaction in Development of Certain Risk Management Activities and Control over Practical Implementation Thereof”. 2. The State Customs Service is taking actions for subsequent functional testing and improvement of operations of the customs competence units, which enables mitigating corruption.	2024	2025	2026	2027			

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					<p>The customs competence unit was introduced by Order of the State Customs Service No. 936 of 24.11.2021 within the pilot project based on the Coordination and Monitoring Customs Office. The corresponding customs unit carries out certain customs formalities prescribed by the automated risk management system (ARMS).</p> <p>From 01.01.2024 to 31.12.2024, the number of the customs declarations on which the need for customs formalities to be performed by the customs competence subdivision was established by the ARMS made 1,931.</p> <p>Also, the customs competence unit took four decisions on designation of the commodity code, following the control of correct calculation of the customs value: 25 decisions were made to adjust the declared customs value of the goods, the customs duties of 1,456,166 hryvnias were additionally paid; following the consultations on the customs value of the goods, the authorisation was given to revoke 59 customs declarations, the customs duties of 1,606,922 were additionally paid; four reports on violation of the customs rules were made based on the elements of the offence under Article 485 of the Customs Code of Ukraine within the jurisdiction of the Ternopil and Zhytomyr Customs Offices, for the total amount of the unlawful decrease in the amount of the customs duties of 31.6 thousand hryvnias.</p> <p>3. The State Customs Service controls adherence to the procedure for application and adequacy of completion of customs declarations in the form of the single administrative document in declaration of the goods carried across the customs border of Ukraine by undertakings. Selective monitoring of customs declarations is carried out by means of the ACCS "Inspector". Respective measures are taken based on the violations detected. The information on failure to respect customs clearance time limits is analysed. Senior executives of customs offices are given instructions on inspections of compliance with the</p>							

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					<p>requirements of paragraph 1 of Article 255 of the Customs Code of Ukraine.</p> <p>The work of customs offices performed to control adequate calculation of the customs value of goods, classification of goods, duty and tariff regulation and payment of customs duties is coordinated, and guidance and practical assistance is given to customs offices and other structural subdivisions of the State Customs Service on customs evaluation, classification, duty and tariff regulation and administration of customs payments. Meetings are held, customs offices are sent information letters and letters of explanation on approaches to classification of goods, adequate calculation of customs value, country of origin of goods, matters of administration of customs duties and humanitarian assistance, etc.</p> <p>In 2024 (as of 01.01.2025), additional proceeds from controlling adequate declaration of the country of origin of goods made 550 million hryvnias, which was 100 million hryvnias or 19% more than in the equivalent period of 2023.</p> <p>In total, in 2024 (as of 01.01.2025), the customs offices issued 213,746 EUR.1 certificates for export of goods from Ukraine, and took 2,053 decisions to deny issuance of EUR.1 certificates for carriage of goods.</p> <p>With due consideration of the documents (data) requested from the exporters to confirm the status of preferential origin of goods, the customs offices (as of 01.01.2025) cancelled 6,211 EUR.1 certificates for carriage of goods issued to 183 exports for the goods covered by the export duty. The total amount of the tariff preferences for the export duty under those certificates made 443 million hryvnias.</p>							
5.2.3 “DEVELOPING INTERNATIONAL CUSTOMS COOPERATION”												
The exchange of preliminary customs information with other countries	184. The exchange of preliminary customs information	State Customs Service	In 2024–2029 Note: the progress is	In progress (Implemented in 2024)	<p>1. The pilot projects of exchange of preliminary information based on SEED+ platform with the customs administrations of Romania and the Republic of Moldova have been implemented.</p> <p>2. The Memorandum has been signed with Lithuania.</p>	2024	2025	2026	2027	2028	2029	

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
has been established, movement of goods and vehicles across the customs border has been accelerated, the check of lawfulness of foreign economic transactions, the customs value of goods, detection of risk transactions and enhanced anti-smuggling and customs violation activities have been ensured.	with other countries has been established, movement of goods and vehicles across the customs border has been accelerated, the check of lawfulness of foreign economic transactions, the customs value of goods, detection of risk transactions and enhanced anti-smuggling and customs violation activities have been ensured.		updated annually		<p>The Memorandum of Understanding between the State Customs Service of Ukraine and the Customs Department of the Republic of Lithuania on readiness to implement the automatic exchange of customs information within EU4DIGITAL Facility was signed (23.10.2024, Kyiv).</p> <p>3. The Agreement was signed with Turkey. The Agreement on Creating the System for Electronic Exchange of Preliminary Information between the Government of Ukraine and the Government of the Republic of Turkey signed (08.03.2024, Istanbul). The Technical Specification has been developed and signed in pursuance of the Agreement.</p> <p>4. Consultations are conducted with Finland to consider introduction of the mechanism for exchanging preliminary information on goods and vehicles. On 22.11.2024, the expert online consultations with the representatives of the State Customs Service and the customs administration of the Republic of were organised to consider introduction of the mechanism for exchanging preliminary information on goods and vehicles. Following the consultations, the State Customs Service sent Finland the Memorandum of Understanding between the State Customs Service of Ukraine and the Customs Department of the Republic of Lithuania on readiness to implement the automatic exchange of customs information within EU4DIGITAL Facility signed on 23.10.2024, to be examined.</p> <p>The Parties also agreed to arrange the next round of consultations with participation of the representatives of EU4DIGITAL Facility.</p> <p>5. In order to ensure automated and non-automated analysis and risk assessment by means of the risk management (information comparison) system, the preliminary information on goods and vehicles moved across the customs border of Ukraine that is</p>							

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					received from the competent authorities of Azerbaijan, Moldova, Slovakia, Hungary, and Georgia is used. The automated risk management system has eight risk profiles. Moreover, the action algorithm for independent structural subdivisions of the State Customs Service was established by Order of the State Customs Service No. 888 of 19.07.2024 “On Certain Matters of Applying the RMS in the Analysis of Preliminary Information” in order to ensure use of the preliminary information in the ARMS, and the corresponding Guidelines were approved.							
The common control of the persons, vehicles and goods at the checkpoints has been ensured. The carrying capacity of the checkpoints has been increased.	185. The common control of the persons, vehicles and goods at the checkpoints has been ensured. The carrying capacity of the checkpoints has been increased.	State Customs Service	In 2024–2027 Note: the progress is updated annually	In progress (Implemented in 2024)	1.The state border between Ukraine and Poland and between Ukraine and Slovakia. The participation of the delegations of the State Customs Service in the negotiation process and consultations on agreements on common control with the Republic of Poland (March 2024) and the Slovak Republic (April and December 2024) has been ensured. 2.The state border between Ukraine and Moldova. On 10.01.2024, the Statement of Readiness of the Common Railway Checkpoint “Kuchurhan — Novosavyske” for Common Control was signed at the international automobile checkpoint “Maiaky — Udobne — Palanka” by the representatives of the State Border Guard Service, the State Customs Service, the General Inspectorate of the Border Police of the MIA of the Republic of Moldova, the Customs Service at the Ministry of Finance of the Republic of Moldova. Pursuant to the Statement, the common control at the checkpoint was commenced at 8 p.m. on 10.01.2024. The common control has been fully carried out in the territory of Ukraine at the automobile checkpoint “Reni — Giurgiulești” since May 2024. 3.On 08.04.2024, the Agreement between the Cabinet of Ministers of Ukraine and the Government of Hungary on amending the Agreement between the Cabinet of Ministers of Ukraine and the Government of Hungary on border movement at the state border	2024	2025	2026	2027			

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					automobile and railway checkpoints was signed in Kyiv. Then Resolution of the Cabinet of Ministers of Ukraine No. 669 of 07.06.2024 “On Approving the Agreement between the Cabinet of Ministers of Ukraine and the Government of Hungary on amending the Agreement between the Cabinet of Ministers of Ukraine and the Government of Hungary on border movement at the state border automobile and railway checkpoints” was issued. The Agreement entered into force for Ukraine on 29.11.2024.							
The arrangements with the neighbouring countries as to the number of the vehicles moving through the checkpoints in a synchronised manner have been respected to ensure rhythmic operations of the checkpoints and forecast the time necessary to cross the border.	186. The arrangements with the neighbouring countries as to the number of the vehicles moving through the checkpoints in a synchronised manner have been respected to ensure rhythmic operations of the checkpoints and forecast the time necessary to cross the border.	State Customs Service	In 2024–2025 Note: the progress is updated annually	In progress (Implemented in 2024)	1.The procedure for signing the Memorandum of Introducing the System for Early Notification of Emergencies at the Checkpoints at the Border with the Slovak Republic has been completed. The Ukrainian and Slovak Memorandum started to be applied from 26.07.2024. 2.In October 2024, the Memorandum of Understanding between the State Customs Service and the Customs Service of the Republic of Moldova on Introducing the System for Early Notification of Emergencies at the Checkpoints at the Border with the Republic of Moldova was signed. 3.In order to prepare to sign the Memorandum of Introducing the System for Early Notification of Emergencies at the Checkpoints at the Border with the Republic of Romania, the State Customs Service asked the Customs Administration to inform the State Customs Service of Romania’s readiness to sign the Memorandum. In November 2024, the consultations with the Romanian side were conducted, and the draft Memorandum of Introducing the System for Early Notification of Emergencies at the Checkpoints at the Border with the Republic of Romania was approved. In response, the Romanian side informed of Romania’s preparation for joining the Schengen Areas, so the matter of signing the Memorandum would be resumed after the assessment of conformity of the Romanian Customs Administration to the requirements of the Schengen Area was completed.	2024	2025					

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					4. The draft Memorandum of Introducing the System for Early Notification of Emergencies at the Checkpoints at the Border with the Republic of Poland is also being processed.							
The number of the undertakings that have been granted transit simplifications has been increased. The efficiency of customs control has been raised.	187. The number of the undertakings that have been granted transit simplifications has been increased. The efficiency of customs control has been raised.	State Customs Service	In 2024–2027 Note: the progress is updated annually	In progress (Implemented in 2024)	<p>In order to increase the level of using the common transit procedure, develop application of the Convention on a common transit procedure in Ukraine and develop the NCTS, Ukraine started to apply NCTS Phase 5 on 22 April 2024. When the NCTS is applied, entities are offered three ways to submit transit declarations T1:</p> <ul style="list-style-type: none"> - via the One-Stop-Shop (the integration platform “One-Stop-Shop — UAIS — NCTS” developed by the State Customs Service); - via the broker software (pursuant to the specification for NCTS Phase 5). <p>More than 94 thousand (including almost 60 thousand by means of NCTS Phase 5) common transit declarations, namely more than 21 thousand declarations of entry into Ukraine and more than 73 thousand declarations of exit from Ukraine, were made in 2024.</p> <p>Since 01.01.2024, the State Customs Service has registered 109 comprehensive guarantees and 10,151 individual guarantees in the guarantee management system. As of the end of the reporting period, there are 89 comprehensive guarantees and 5,901 individual guarantees in effect, with the total amount of guarantees of around 759.5 million euros.</p> <p>In 2024, the State Customs Service processed 965 requests from the foreign customs authorities and requests for certification of copies of customs declarations as alternative evidence of completion of transit procedures as a part of administrative assistance in accordance with the Convention on a common transit procedure. Moreover the State Customs Service initiated 789 requests for adequate completion of the common transit procedure to the foreign customs administrations during this period.</p>	2024	2025	2026	2027			

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
5.2.4. “INSTITUTIONAL DEVELOPMENT OF THE CUSTOMS AUTHORITIES”												
The wages of the customs officials have been raised up to the market level.	188. The wages of the customs officials have been raised up to the market level.	State Customs Service	In 2024–2027 Note: this is not an annual activity. Deadline for the implementation of the activity — 2027	Not due yet	The Verkhovna Rada of Ukraine adopted Law of Ukraine No. 3977-IX of 17.09.2024 “On Amending the Customs Code of Ukraine as to the Peculiarities of the Service with the Customs Authorities, and Certification of Officials of the Customs Authorities”. The Law provides for higher fixed salaries in the customs authorities by setting minimum fixed salaries in the State Customs Service of Ukraine and its territorial bodies in Article 585 of the Customs Code of Ukraine. The size of the fixed salary for positions in the central executive authority responsible for implementing the state customs policy is established for each position depending on the group of customs competences and may not be lower than 14 subsistence minimums set for able-bodied persons as of 1 January of the calendar year. The size of the fixed salary for positions of the territorial body of the central executive authority responsible for implementing the state customs policy is established for each position depending on the group of customs competences and may not be lower than 12 subsistence minimums set for able-bodied persons as of 1 January of the calendar year. In particular, according to the Law, the systems of fixed salaries of customs officials, the catalogue of standard positions of customs officials that contain lists of customs competence groups and the algorithm for formation of such groups are approved by the Cabinet of Ministers of Ukraine. The draft Resolution of the Cabinet of Ministers of Ukraine “Certain Matters of Labour Remuneration of Customs Officials and Employees” is being developed and approved.				2027			
The new system of key performance indicators (KPI) for the executive	189. The new system of key performance indicators (KPI) for the executive	State Customs Service	In 2024–2025 Note: this is not an	Not due yet	The key performance indicators (KPI) to measure progress of the goals were approved by the Steering Committee in October 2024 (minutes of the meeting of the Steering Committee No. 2/3-к of 16.10.2024). At the same time, on 25.12.2024, the Verkhovna		2025					

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
office of the State Customs Service and its territorial bodies has been drafted, and the IT system for automated monitoring of achievement thereof has been introduced. A respective pilot project has been implemented. The gradual distribution of the system has been ensured.	office of the State Customs Service and its territorial bodies has been drafted, and the IT system for automated monitoring of achievement thereof has been introduced. A respective pilot project has been implemented. The gradual distribution of the system has been ensured.		annual activity. Deadline for the implementation of the activity — 2025		Rada of Ukraine received the draft Law of Ukraine “On Amending the Customs Code of Ukraine as to Assessment of Efficiency and Performance of Activities of the Customs Authorities” (registration No. 12360) in order to introduce the mechanism for measuring efficiency and performance of discharge of their powers and tasks by the customs authorities as well as the mechanism for measuring efficiency of implementation of the plans and strategies for reformation of the customs authorities at the legislative level. The mechanism for assessing performance of the customs authorities proposed by the WCO was used as a basis, with certain adjustments based on the national procedures. The draft law suggests supplementing the Customs Code of Ukraine with new Article 544-1 and regulating the procedure for assessing efficiency and performance of the customs authorities, namely determining the purpose of performance assessment, types of performance assessment, the areas of operations of the customs authorities to be assessed internally, and prescribing that internal performance assessment is based on the key efficiency and performance indicators for the customs authorities established by the central executive authority responsible for formation and implementation of the financial policy. Moreover, the draft law prescribes the requirements for the key efficiency and performance indicators of the customs authorities. The draft law is being processed by the specialised committee of the Verkhovna Rada of Ukraine. Moreover, Clause 2 of the Operational Priorities of the State Customs Service for 2025 provides for introduction of the system of key efficiency and performance indicators of the State Customs Service, and the IT system for automated monitoring of the achievement thereof.							
The methodological framework for the	190. The methodological framework for	State Customs Service	During 2024	Implemented	1. The State Customs Service is taking actions to engage the youth into the customs authorities, in particular, from the specialised higher educational	2024						

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
human resource management system of the State Customs Service based on the European practices and instruments has been improved. Technological support of the mechanism for introduction and operation of the human resource management information system (HRMIS) for the customs authorities has been ensured.	the human resource management system of the State Customs Service based on the European practices and instruments has been improved. Technological support of the mechanism for introduction and operation of the human resource management information system (HRMIS) for the customs authorities has been ensured.				<p>establishments. In order to form the talent pool out of graduates from higher educational establishments, the State Customs Service and higher educational establishments have made 31 memoranda of cooperation.</p> <p>In 2024, 111 graduates who had successfully completed their specialised training on Key Components of Customs Affairs were appointed to vacant positions in the territorial bodies of the State Customs Service. In general, since the beginning of 2024, 164 persons from among students and the youth were appointed. In 2024, 407 students of higher educational establishments were given an opportunity to have practical training in the State Customs Service and its territorial bodies under the memoranda of interaction and cooperation between the State Customs Service and higher educational establishments, and in accordance with the Regulation on Practical Training of Students from Higher Educational Establishments of Ukraine approved by Order of the Ministry of Education of Ukraine No. 93 of 08.04.1993.</p> <p>2. Regarding introduction of the competence model into the work of HR services of the State Customs Service.</p> <p>The concept of customs competences is defined in Law of Ukraine No. 3977-IX of 17.09.2024 “On Amending the Customs Code of Ukraine as to the Peculiarities of the Service with the Customs Authorities, and Certification of Officials of the Customs Authorities”. In order to assess the professional competence level and plan professional development of customs officials, the law provides for annual assessment of the customs competence level, which will be followed by development of the individual professional development programme.</p> <p>The Sample Procedure for Checking the Level of Customs Competences, the Form of and Procedure for Developing the Individual Professional Development Programme for Customs Officials has</p>							

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					<p>been drafted.</p> <p>As a part of the pilot project of implementation of the competence model, based on the Order of the Acting Head of the State Customs Service of 04.12.2024 “On Checking the Level of Customs Competences”, the level of customs competences was checked in the Vinnytsia, Dnipro, Odesa and Ternopil Customs Offices from 09.12.2024 until 27.12.2024, with four groups of customs competences (customs control and customs clearance, customs payments, anti-smuggling and fight against violation of the customs rules, customs audit). Following the check, which was aimed without limitation at trial of tests and questions, 977 customs officials took part in the survey. The check had several stages: testing No. 1 — assessment of knowledge of the Ukrainian legislation, testing No. 2 — in order to confirm the level of operational customs competences and surveying.</p> <p>In order to analyse the internal environment of the survey for the participants of the customs competence level check, the HR services of the customs offices furnished their proposals and comments on the Procedure for checking the customs competence level, content of tests tasks. 79.1% of the officials who took part in the customs competence level check believed that the check was an important driver of subsequent professional development. The project will result in validation of the Customs Competence List, submission of the draft order of the Ministry of Finance “On Approving the Procedure for Checking the Customs Competence Level, the Form and the Procedure for Making the Individual Professional Development Programme”.</p> <p>3. The State Customs Service is taking actions to introduce the human resource management information system (HRMIS) in the territorial bodies of the State Customs Service and to support the HRMIS in the executive office of the State Customs Service. The State Customs Service of Ukraine has</p>							

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					<p>been connected to the HRMIS.</p> <p>The working group made of employees of the Administrator (NACS) and the human resource, IT and accounting departments of the State Customs Service has been established to introduce the human resource management information system (HRMIS) in the territorial bodies of the State Customs Service, and practical interaction with representatives of human resource units of the customs offices has been organised at the executive office of the State Customs Service, in the format of guidance on introduction and filling of the HRMIS. Personal files of the officials from the executive office of the State Customs Service, the effective manning table have been entered into the HRMIS, and the work has been performed to fill the information system modules with the data necessary for its operations. The territorial bodies of the State Customs Service and the NACS have entered the agreements on access and connection to the human resource management information system (after the connection schedule plan is approved by the NACS).</p> <p>The State Customs Service has informed the NACS of the technical and organisational readiness of the territorial bodies of the State Customs Service for introduction of the information system.</p>							
The approaches to and procedure for post-customs control and planning of inspections by developing risk management have been improved.	191. The approaches to and procedure for post-customs control and planning of inspections by developing risk management have been improved.	State Customs Service	In 2024–2025 Note: this is not an annual activity. Deadline for the implementation of the activity — 2025	Not due yet	The Verkhovna Rada of Ukraine adopted Law of Ukraine No. 3613-IX of 20.03.2024 “On Amending the Customs Code of Ukraine and Other Laws of Ukraine as to the Peculiarities of Customs Control and Customs Clearance of Specific Categories of Goods”, which resumed the powers of the customs authorities to conduct documentary inspections of compliance with the requirements of the Ukrainian legislation on customs affairs, and Law of Ukraine No. 3926-IX of 22.08.2024 “On Amending the Customs Code of Ukraine as to the Implementation of Certain Rules of the European Union Customs Code”, which regulated the matter of post-customs control through pre-inspection analysis of the		2025					

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					<p>customs declarations that had been completed, and selection of taxpayers for documentary checks of compliance with the Ukrainian legislation on customs affairs.</p> <p>The Resolution of the Cabinet of Ministers of Ukraine “On Amending the Resolution of the Cabinet of Ministers of Ukraine No. 805 of 23 October 2013” on reduction of control pressure upon businesses by concurrent inspections by the corresponding regulatory authorities has been drafted.</p> <p>In order to improve the functions of the module “Customs inspections”, in accordance with the second indent of point 7 of Title II of Order of the State Customs Service No. 411 of 28.08.2023 “On Introducing the Pilot Project of Post-Customs Control” (as amended and supplemented), the following actions have been taken: the algorithm for sending a notice of commencement of post-customs control and of the outcome of post-customs control to the declarant has been improved; the customs offices involved into the implementation of the recommendation technical pilot project have been enabled to review (without adjustments) the inspections conducted by other customs offices within the post-customs control.</p> <p>With a view to improving the planning of documentary inspections by developing risk management, the Order of the Ministry “On Approving the Amendments to the Procedure for the Customs Authorities to Plan Documentary Field Inspections” has been drafted. The proposed amendments will improve the approaches to formation of schedule plans for documentary inspections conducted by the customs authorities on their own, based on findings of analysis of foreign economic operations of undertakings by means of the risk management system, by analysing, detecting and assessing risks, including by means of information technologies, which includes regular:</p>							

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					<ul style="list-style-type: none"> - detection of the conditions and factors that influence occurrence of risks; - determination of risk areas; - determination of criteria based on the parameters that enable selecting the controlled item being a risk (risk indicators); - assessment of probability of risks and possible damage as a result. 							
5.2.5 “DEVELOPING IT, AND PROVIDING TECHNICAL FACILITIES FOR CUSTOMS CONTROL”												
The IT solutions used to protect intellectual property rights have been improved, the automated customs clearance and risk management systems have been unified and standardised.	192. The IT solutions used to protect intellectual property rights have been improved, the automated customs clearance and risk management systems have been unified and standardised.	State Customs Service	In 2024–2028 Note: this is not an annual activity. Deadline for the implementation of the activity — 2028	Not due yet	<p>The State Customs Service is introducing the centralised model of the Unified Automated Information System (hereinafter the “UAIS”), the main components of which include the automated customs clearance system “Centre” of the Unified Automated Information System (hereinafter the “UAIS ACCS ‘Centre’”).</p> <p>In 2024, the corresponding actions were taken in pursuance of the requirements of Order of the State Customs Service No. 228 of 29.05.2023 “Certain Matters of Operation of the Automated Customs Clearance System “Centre” of the Unified Automated Information System”. The trial operation of the ACCS “Centre”, which included the software and information suite “Customs Register of Intellectual Property Items” put into trial operation by Order of the State Customs Service No. 165 of 19.04.2022, with all the necessary information on both original goods and goods suspected of violating intellectual property rights and the function of identifying an item from the customs register (a copyright item, a trade mark, an industrial model etc.) in the goods presented for customs clearance, was continued.</p> <p>The interface of interaction between the existing SIS “Customs Register of Intellectual Property Items” of the State Customs Service and the central COPIS module, the central information exchange system that supports compliance with the EU rules for intellectual property rights (the IPR), where the right holders can ask the customs office to interfere and</p>					2028		

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					<p>take actions against the goods in breach of specific IPR, is planned. Thus, in the fourth quarter of 2024, the business analysis commenced in the third quarter was continued to determine possible mechanisms for integration with the COPIS, for further modification and development of the SIS “Customs Register of Intellectual Property Items” of the State Customs Service.</p> <p>The State Customs Service is now working with the project to create and implement the module of the automated risk management system “ARMS.Centre” as well as the subsystem for format logic control, which includes optimisation of the processes of automated analysis and risk assessment at different stages of customs procedures, creation of the more resilient system architecture that will enable automated and simplified process of error detection and consistent analysis of violation of the customs rules, application of complex mathematical risk assessment methods as well as methods for record keeping, maintaining, testing and monitoring efficiency of risk profiles and the risk of rules.</p> <p>The services of ARMS.Centre are now used by the ACCS “Centre” when risks are analysed in the Software and Information Suite “Customs Clearance of International Postal and Express Postal Items” of the ACCS “Centre”, in the module “Checkpoint log” of the ACCS “Centre”, and are applied in the NCTS Phase 5.</p> <p>Also, the State Customs Service has tested artificial intelligence elements in the module of ARMS.Centre, which has proven that AI elements should be used to develop the system.</p>							
The new secure model of IT system and technology management by means of modern approaches to	193. The new secure model of IT system and technology management by means of modern	State Customs Service	In 2024–2028 Note: this is not an annual activity.	Not due yet	1.Order of the Ministry of Finance No. 63 of 09.02.2024 on the Implementation of the Decision of the Committee of Information Technologies of the Public Finance Management System resolved approved the Long-Term National Strategic Plan for Digital Development, Digital Transformation and Digitalisation of the State Customs Service of					2028		

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
project management has been introduced.	approaches to project management has been introduced.		Deadline for the implementation of the activity — 2028		<p>Ukraine and Its Territorial Units based on the Multi-annual strategic plan for electronic customs (MASP-C).</p> <p>The strategic plan included the projects of priority for the customs service, in order to ensure Ukraine's integration into the customs space of the European community, based on the national strategies approved by the Government of Ukraine, as well as the projects to replace the obsolete IT systems in connection with changes in the IT architecture.</p> <p>2. The State Customs Service has created the IIPS for the information and communication systems in accordance with the requirements of the regulatory documents on technical protection of information.</p> <p>The Certificates of Conformity and Expert Opinions on the integrated information protection systems in the systems that ensured operation of electronic information resources of the customs authorities and the organisational and technical solution for the introduction of the standard component of the integrated information protection system at the automated work place of a user of the Unified Automated Information System of the customs authorities were received in Letter of IN-CLOUD LLC No. 39-дск of 26.12.2024.</p> <p>3. The State Customs Service has conducted the procurement procedure for the hardware and software suite of the programme-managed platform of cryptographic protection of information to ensure remote access of territorial units to the information resources (procurement procedure identifier UA-2024-05-02-007727-a). Following the procurement procedure, agreement No. 34-24 of 07.06.2024 was concluded between the State Customs Service and Winncom Ukraine LLC. In accordance with the agreement, Winncom Ukraine LLC carried out the supply, installation and set-up of the hardware and software suite of the programme-managed platform of cryptographic protection of information to ensure remote access of territorial units to the information</p>							

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					<p>resources.</p> <p>4. In accordance with agreement No. 28-24 of 08.05.2024, SITON GROUP LLC carried out the supply, installation and set-up of the hardware and software suite of secure Internet access Secure Web Gateway (SWG) in the executive office of the State Customs Service by means of the LDAP catalogue of the Software and Hardware Suite of the State Customs Service "E-mail".</p> <p>As a part of the project to introduce the user identification system without Internet access based on the RSA coding algorithm, the virtual servers with the corresponding software have been deployed, and installation and setup works have been performed. The works have been commenced to put the equipment into operation and transfer it to the customs offices. It will be transferred to the customs offices based on the single order, together with the other equipment purchased by the State Customs Service.</p> <p>5. In order to ensure antivirus protection of electronic information resources of the customs authorities, network attack protection and unauthorised access prevention, to create preconditions for further development of the integral information protection system, the State Customs Service procured 9,350 licences for the integrated cybersecurity solution for 2024.</p> <p>95% of the computer equipment of the State Customs Service have the anti-virus software to protect it from computer viruses and virus attacks. The works have been continued to ensure centralised updates of the anti-virus software of the territorial bodies of the State Customs Service. Pursuant to Order of the State Customs Service No. 1177 of 18.10.2024, the means of the integrated cybersecurity solution has blocked Telegram on work devices.</p> <p>6. The terms of reference for the procurement item "Services of transfer of virus protection software products" have been developed.</p>							

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					The service of transfer of virus protection software products ESET PROTECT Entry has been procured. The licences to protect 6,350 have been extended, and 3,000 licenses were additionally purchased. The licences are in effect until 03.07.2025. 7. The virtual security device solution smtp3.customs.gov.ua has been deployed, tested and introduced (with default settings) in order to protect the software and hardware suite of the State Customs Service “E-mail”.							
The Long-Term National Strategic Plan for Digital Development, Digital Transformation and Digitalisation of the State Customs Service of Ukraine and Its Territorial Units based on the Multi-annual strategic plan for electronic customs (MASP-C) has been developed and approved.	194. The Long-Term National Strategic Plan for Digital Development, Digital Transformation and Digitalisation of the State Customs Service of Ukraine and Its Territorial Units based on the Multi-annual strategic plan for electronic customs (MASP-C) has been developed and approved.	State Customs Service	In 2024–2029	Implemented	Order of the Ministry of Finance No. 63 of 09.02.2024 on the Implementation of the Decision of the Committee of Information Technologies of the Public Finance Management System resolved approved the Long-Term National Strategic Plan for Digital Development, Digital Transformation and Digitalisation of the State Customs Service of Ukraine and Its Territorial Units based on the Multi-annual strategic plan for electronic customs (MASP-C). https://mof.gov.ua/storage/files/Наказ_№63_від_09_02_2024.PDF .						2029	
The modern technical equipment for checkpoints has been ensured to optimise their operations (scanning	195. The modern technical equipment for checkpoints has been ensured to optimise their operations	State Customs Service	In 2024–2028 Note: the progress is updated annually	In progress (Implemented in 2024)	The State Customs Service has ensured the following within the cost estimates: - examination of the technical condition (diagnostics) of mobile scanning systems Rapiscan Eagle Mobile M4507 within the jurisdiction of the Odesa Customs Office; the operability of three mobile scanning systems has been recovered (two mobile scanning systems can be operated following	2024	2025	2026	2027	2028		

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
systems, smart video control systems, weighing complexes).	(scanning systems, smart video control systems, weighing complexes).				<p>the maintenance and repairs of vehicles, diesel generators);</p> <ul style="list-style-type: none"> - the permanent scanning systems used to screen freight and postal items have been procured (22 items); - digital photo cameras have been procured (319 items); - agreement No. 91-24 of 09.12.2024 on the supply, installation and set-up of the permanent scanning systems for railway car and container screening was made between the State Customs Service and Multicontrol Sp. z o.o. <p>In order to satisfy the demand for technical means of customs control, the State Customs Service keeps taking actions to receive necessary means within the international technical assistance (hereinafter the "ITA"), in particular:</p> <p>Within the ITA project "USAID ERA":</p> <ul style="list-style-type: none"> - two mobile scanning systems Rapiscan Eagle M60 were delivered to the international automobile checkpoints "Uzhhorod" of the Zakarpattia Customs Office and "Porubne" of the Chernivtsi Customs Office; the mobile scanning system Rapiscan Eagle M60 is planned to be received in the first quarter of 2025 at Orlivka Checkpoint of the Odesa Customs Office; also, two additional mobile scanning systems Rapiscan Eagle M60 are going to be received in 2025 for the international automobile checkpoints "Reni" of the Odesa Customs Office and "Diakove" of the Chernivtsi Customs Office; - the winning bidder in the procurement procedure for two permanent scanning systems for the rolling stock is being assessed; - the video control system for the checkpoint "Yahodyn" of the Volyn Customs Office is being procured; - 14 weighing complexes are expected to be received; - manual scanning systems (20 units) have been received. 							

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					<p>Within the ITA project “EU4IBM-Resilience”:</p> <ul style="list-style-type: none"> - the mobile scanning system Rapiscan Eagle M60 has been received to be used in the international automobile checkpoint “Chop” of the Zakarpattia Customs Office, and two more scanning systems are expected at the beginning of 2025; - the weighing systems have been installed (10 units); - the sources of uninterrupted power supply and stabilisers for the scanning systems Nuctech have been installed. <p>Within the ITA project “EU4SL&IBM”:</p> <ul style="list-style-type: none"> - manual scanning systems (12 units) have been received; - two weighing systems are going to be supplied; - the automated intelligent video control system and the automated vehicle number plate recognition system have been installed at two checkpoints, “Mamalyha” of the Chernivtsi Customs Office and “Mohyliv-Podilskyi” of the Vinnytsia Customs Office; <p>As a part of cooperation of the United Nations Office on Drugs and Crime (UN ODC) in Ukraine:</p> <ul style="list-style-type: none"> - two sets of drug tests, two sets of precursor tests, and two laptops have been received for the port control groups. <p>As a part of humanitarian assistance, the State Customs Service has received:</p> <ul style="list-style-type: none"> - five specialised dog service vehicles Fiat Doblo from the OSCE project; - the mobile scanning system for baggage screening from the German customs administration; - two scanning systems for baggage, hand luggage and postal item screening Linescan 231 from the Klaipėda Territorial Customs Directorate of the Customs Department at the Ministry of Finance of the Republic of Lithuania. <p>Also, in pursuance of the Agreement between the Government of the Republic of Poland and the Government of Ukraine on Granting the Loan under</p>							

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
					the Related Assistance Conditions of 9 September 2015, the procurement procedure was conducted for the mobile scanning systems with the portal scanning function. The State Customs Service of Ukraine made Agreement No. 107-24 of 27.12.2024 with SAE Spółka Z Ograniczona Odpowiedzialnoscia on the delivery of four mobile scanning systems with the portal scanning function for the amount of 9,992,000.00 euros.							
5.3. “CONTENT OF THE CUSTOMS POLICY ACTIVITIES”												
5.3.1. “PREFERENTIAL TAX TREATMENT OF IMPORT”												
Efficiency of control over lawful application of customs duty exemptions and intended use of goods has been increased.	196. Efficiency of control over lawful application of customs duty exemptions and intended use of goods has been increased.	Ministry of Finance	On a continuous basis	In progress (Implemented in 2024)	591.7 billion hryvnias of customs and other payments controlled by the customs authorities were transferred to the State Budget of Ukraine in 2024. Moreover, the exemption from customs duties was granted in the amount of 230.5 billion hryvnias, which made 39% of the total amount of the customs payments. With a view to controlling customs duty benefits and preventing state budget losses, the customs offices have been instructed to analyse customs clearances. Based on the analysis of lawful application of benefits and preferences in customs clearance of goods, the customs offices took corresponding actions and additionally accrued the following customs duties: Mykolaiv — 909 thousand hryvnias, Zhytomyr — 173.1 thousand hryvnias, Lviv — 803.9 thousand hryvnias, Odesa — 668.4 thousand hryvnias, Mykolaiv — 909 thousand hryvnias, and Sumy — 287 thousand hryvnias. The customs offices initiated post-customs control in the area “controlling tax benefits, complete and timely payment of customs duties” from 01.07.2024. Following the post-control, the declarants paid 1.1 million hryvnias of customs duties to the State Budget on a voluntary basis.	2024	2025	2026	2027	2028	2029	2030
The Customs Code of Ukraine has been amended to	197. The Customs Code of Ukraine has been amended to	Ministry of Finance	During 2024	Implemented	On 16.05.2024, Law of Ukraine No. 3613-IX of 20.03.2024 “On Amending the Customs Code of Ukraine and Other Laws of Ukraine as to the Peculiarities of Customs Control and Customs	2024						

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
cancel the moratorium on documentary inspections of compliance with the Ukrainian legislation on customs affairs, including as to timely, reliable and complete accrual and payment of customs duties, during the martial law in Ukraine.	cancel the moratorium on documentary inspections of compliance with the Ukrainian legislation on customs affairs, including as to timely, reliable and complete accrual and payment of customs duties, during the martial law in Ukraine.				Clearance of Specific Categories of Goods”, which resumed the powers of the customs authorities to conduct documentary checks of compliance with the Ukrainian legislation on customs affairs, entered into force.							
The Tax Code of Ukraine and the Customs Code of Ukraine have been amended to enhance control over VAT and excise duty exemption of the goods under customs treatment of import (in terms of the end use procedure); the import duty rates for the specific foreign goods under customs treatment of import (in terms of the end use procedure) have	198. The Tax Code of Ukraine and the Customs Code of Ukraine have been amended to enhance control over VAT and excise duty exemption of the goods under customs treatment of import (in terms of the end use procedure); the import duty rates for the specific foreign goods under customs treatment of import (in terms	Ministry of Finance	In 2024–2027 Note: this is not an annual activity. Deadline for the implementation of the activity — 2027	Not due yet	Paragraph 6 of Article 75 of the Customs Code of Ukraine already contains the rule on possible release of foreign goods into free circulation in the customs territory of Ukraine at the reduced import duty rates set by the Customs Tariff of Ukraine, in case the end use procedure is applied (enacted by Law of Ukraine No. 2510-IX of 15.08.2022). According to Law of Ukraine No. 3926-IX of 22.08.2024 “On Amending the Customs Code of Ukraine as to the Implementation of Certain Provisions of the European Union Customs Code”, the Customs Code of Ukraine has been amended as to the customs treatment of import (in terms of the end use procedure). The matters of decreasing the import duty rates for the foreign goods under customs treatment of import (in terms of the end use procedure) and amendments to the Tax Code of Ukraine are being processed.				2027			

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
been decreased.	of the end use procedure) have been decreased.											
The model of beneficial taxation of goods with customs duties has been brought in line with the EU requirements.	199. The model of beneficial taxation of goods with customs duties has been brought in line with the EU requirements.	Ministry of Finance	In 2024–2026 Note: this is not an annual activity. Deadline for the implementation of the activity — 2026	Not due yet	The laws aimed at fulfilling Ukraine’s commitments under the Association Agreement between Ukraine, of the one part, and the European Union, the European Atomic Energy Community and their Member States, of the other part, have been drafted: “On Amending the Customs Code of Ukraine as to the Implementation of the Association Agreement between Ukraine, of the one part, and the European Union, the European Atomic Energy Community and their Member States, of the other part, in Terms of Exemption from the Import Duty” (registration No. 5810 of 20.07.2021) as to introduction of the rules of Titles I and II of Council Regulation (EC) No 1186/2009 setting up a Community system of reliefs from customs duty; “On Amending the Tax Code of Ukraine as to the Peculiarities of Taxation with the Value-Added Tax on Operations of Importing Goods into the Customs Territory of Ukraine” as to introduction of the rules of Council Directive 2007/74/EC on the exemption from value added tax and excise duty of goods imported by persons travelling from third countries. The rules of this draft law have been included into the draft Law of Ukraine "On Amending the Tax Code of Ukraine and Other Laws of Ukraine as to the Taxation Peculiarities in Martial Law” (registration No. 11416 of 18.07.2024). The work to draft the restated Customs Code of Ukraine based on the EU Customs Code is in progress.			2026				
The IT solutions associated with control over compliance with the requirements for the customs treatment that	200. The IT solutions associated with control over compliance with the requirements for the customs	Ministry of Finance	In 2024–2030 Note: this is not an annual activity.	Not due yet	In particular, it is prescribed by Law of Ukraine No. 3926-IX of 22.08.2024 “On Amending the Customs Code of Ukraine as to the Implementation of Certain Provisions of the European Union Customs Code” that the rules of the Customs Code of Ukraine have to be brought in line with the EU acquis in terms of introduction of authorisation for temporary importing							2030

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
involves exemption from customs duties have been improved.	treatment that involves exemption from customs duties have been improved.		Deadline for the implementation of the activity — 2030		<p>of goods, processing thereof in the customs territory, processing outside the customs territory, introduction of the algorithm for keeping records and documents as a condition for the authorisation, and the updated procedure for completion of customs treatment and reporting on the completion.</p> <p>In the future, it will require modification of the existing automated systems.</p> <p>At the same time, it should be noted that as Ukraine has received the status of the EU candidate, its main task is to align its operating principles with the EU countries. After Law of Ukraine No. 3926-IX enters into force, it is planned to analyse the requirements for the existing EU IT systems (based on the documents DG TAXUD), which are responsible for monitoring of the special procedures, examination of interfaces with such systems, the mechanism for integration, determination of the need to develop national components with equivalent functions if there are central EU systems.</p> <p>Moreover, the Automated Risk Management System has the effective risk profiles aimed at controlling restrictions and bans as to placement of certain goods into customs treatment of processing in the customs territory of Ukraine, control over placement of goods into the customs treatment of processing outside the customs territory, control over placement of goods into the customs treatment of temporary import with provisional partial exemption from customs duties, control over the term of import of vehicles, control of export of personal vehicles as well as control over lawful application of preferences.</p>							
5.3.2. “BRINGING THE UKRAINIAN CUSTOMS LEGISLATION IN LINE WITH THE EU ACQUIS”												
The model of beneficial taxation of goods with customs duties has been brought in line with the EU	201. The model of beneficial taxation of goods with customs duties has been brought in line	Ministry of Finance	In 2024–2026 Note: this is not an annual activity.	Not due yet	The laws aimed at fulfilling Ukraine’s commitments under the Association Agreement between Ukraine, of the one part, and the European Union, the European Atomic Energy Community and their Member States, of the other part, have been drafted: - “On Amending the Customs Code of Ukraine as to the Implementation of the Association Agreement			2026				

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
requirements.	with the EU requirements.		Deadline for the implementation of the activity — 2026		<p>between Ukraine, of the one part, and the European Union, the European Atomic Energy Community and their Member States, of the other part, in Terms of Exemption from the Import Duty” (registration No. 5810 of 20.07.2021) as to introduction of the rules of Titles I and II of Council Regulation (EC) No 1186/2009 setting up a Community system of reliefs from customs duty;</p> <p>- “On Amending the Tax Code of Ukraine as to the Peculiarities of Taxation with the Value-Added Tax on Operations of Importing Goods into the Customs Territory of Ukraine” as to introduction of the rules of Council Directive 2007/74/EC on the exemption from value added tax and excise duty of goods imported by persons travelling from third countries. The rules of this draft law have been included into the draft Law of Ukraine "On Amending the Tax Code of Ukraine and Other Laws of Ukraine as to the Taxation Peculiarities in Martial Law” (registration No. 11416 of 18.07.2024).</p> <p>The matters of taxation of goods with customs duties were prepared and discussed at the explanatory meeting of the European Commission and Ukraine on the official screening within negotiation Chapter 29 “Customs union”, which was held on 22.04.2024. The work to draft the restated Customs Code of Ukraine based on the EU Customs Code is in progress, with due consideration of the key EU regulations in the customs area, in particular, Council Regulation (EC) No 1186/2009 setting up a Community system of reliefs from customs duty.</p>							
The new Customs Code of Ukraine and associated normative and legal acts have been drafted and brought in line with Regulation (EU) No	202. The new Customs Code of Ukraine and associated normative and legal acts have been drafted and brought in line with Regulation	Ministry of Finance	In 2024–2026 Note: this is not an annual activity. Deadline for the	Not due yet	In order to arrange the drafting of the document, Order of the Ministry of Finance No. 100 of 29.02.2024 “On Arranging the Work to Draft the New Customs Code of Ukraine” was issued to establish: expert teams to prepare specific structural units of the new draft Customs Code of Ukraine, the coordination and organisational and technical teams and the expert support team for the translation of the EU acquis. Also, the action algorithm for the team			2026				

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
952/2013 of the European Parliament and of the Council, Commission Delegated Regulation (EU) 2015/2446, Commission Implementing Regulation (EU) 2015/2447, Regulation (EU) 2022/2399 of the European Parliament and of the Council, Council Regulation (EC) No 1186/2009, Regulation (EU) No 608/2013 of the European Parliament and of the Council.	(EU) No 952/2013 of the European Parliament and of the Council, Commission Delegated Regulation (EU) 2015/2446, Commission Implementing Regulation (EU) 2015/2447, Regulation (EU) 2022/2399 of the European Parliament and of the Council, Council Regulation (EC) No 1186/2009, Regulation (EU) No 608/2013 of the European Parliament and of the Council.		implementation of the activity — 2026		members was approved. The teams were made of the representatives of the Ministry of Finance, the State Customs Service, EU4PFM experts, and team members of the Reforms Delivery Office at the Ministry of Finance. Each expert team was provided with operational and correlation tables to process more than 1,400 articles, including the key EU regulations. The basic vocabulary was prepared, and draft structural units were being prepared.							
The matters not covered by the EU Customs Code have been regulated in the legislation.	203. The matters not covered by the EU Customs Code have been regulated in the legislation.	Ministry of Finance	In 2024–2026 Note: this is not an annual activity. Deadline for the implementation of the activity — 2026	Not due yet	As a part of the work performed to develop the new Customs Code of Ukraine, in pursuance of Order of the Ministry of Finance No. 100 of 29.02.2024 “On Organising the Work to Draft the New Customs Code of Ukraine”, the separate experts teams responsible for the structural units of the new Customs Code of Ukraine that will include the matters not covered by the EU Customs Code have been established.			2026				
The European	204. The	Ministry of	In 2024–	Not due yet	In its Ukraine 2023 and 2024 Reports on			2026				

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
Commission's opinion on conformity of the Ukrainian legislation to the customs legislation of the EU has been received.	European Commission's opinion on conformity of the Ukrainian legislation to the customs legislation of the EU has been received.	Finance	2026 Note: this is not an annual activity. Deadline for the implementation of the activity — 2026		<p>Enlargement Package Policy, the European Commission highly appreciated Ukraine's preparation for Chapter 29: Customs union — fourth level of preparation.</p> <p>Moreover, Ukraine also demonstrated the highest level of progress in the Chapter “Customs union” in comparison with the other EU candidates.</p> <p>In January 2024, the European Commission commenced the screening of the Ukrainian legislation for conformity to the legal rules of the European Union, which was a mandatory procedure for admission of the candidate to the EU.</p> <p>On 22.04.2024, the explanatory meeting of the representatives of Ukraine and the Republic of Moldova with the European Commission was held on the official screening within the negotiation under Chapter 29 “Customs union”. The Ukrainian delegation included the representatives of the State Customs Service.</p> <p>On 02.10.2024, the coordination meeting with the participation of the representatives of the Directorate-General for Taxation and Customs Union (TAXUD) of the European Commission, the EU Delegation to Ukraine, the EU Public Finance Management Support Programme for Ukraine (EU4PFM), the Ministry of Finance and the State Customs Service was held to assess progress of drafting of the new Customs Code of Ukraine and to receive proposals and recommendations from the European partners for the purposes of assessment of conformity of the Ukrainian customs legislation to the EU acquis.</p> <p>The bilateral meeting of Ukraine and the European Commission within the official screening of conformity of the Ukrainian legislation to the EU acquis under negotiation Chapter 29 “Customs union”, which has been preliminarily scheduled to be held in Brussels (the Kingdom of Belgium) 10-11 April 2025, is being prepared.</p>							

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
The amendments to the Criminal and Criminal Procedure Codes of Ukraine were made to impose criminal responsibility for smuggling goods and excise goods as well as unreliable declaration of goods.	205. The amendments to the Criminal and Criminal Procedure Codes of Ukraine were made to impose criminal responsibility for smuggling goods and excise goods as well as unreliable declaration of goods.	Ministry of Finance	In 2024–2025	Implemented	The amendments to the Criminal and Criminal Procedure Code as to criminalisation of smuggling of goods have been ensured by adopting Law of Ukraine No. 3513-IX of 09.12.2023 “On Amending the Criminal Code of Ukraine and the Criminal Procedure Code of Ukraine to Criminalise Smuggling of Goods”, which supplemented the Criminal Code of Ukraine (hereinafter the “CC”) with new Articles 201-3 “Smuggling of goods”, 201-4 “Smuggling of excise goods”, amended Articles 201, 201-1 of the CC, and prescribed that the criminal offences under Articles 201-1, 201-3, 201-4 of the CC would be investigated by the BES. According to Article 216 of the Criminal Procedure Code of Ukraine, pre-trial investigation of the criminal offences associated with the smuggling under Articles 201 and 305 of the CC belongs to jurisdiction of the investigative security authorities, and the ones under Article 201-2 of the CC — to the jurisdiction of the investigative bodies of the National Police. Law No. 3513-IX entered into force on 01.01.2024 while its provisions on application of Article 201-3 of the CC entered into force on 01.07.2024.		2025					
The amendments were made to the Customs Code of Ukraine as to certain matters of administrative responsibility for violation of the customs rules, and the training was organised for the customs officials responsible for countering customs offences.	206. The amendments were made to the Customs Code of Ukraine as to certain matters of administrative responsibility for violation of the customs rules, and the training was organised for the customs officials	Ministry of Finance	In 2024–2027 Note: the progress is updated annually	In progress (Implemented in 2024)	On 03.12.2024, the Verkhovna Rada of Ukraine adopted the draft Law of Ukraine “On Amending the Customs Code of Ukraine as to Certain Matters of Administrative Responsibility for Violating the Customs Rules” (registration No. 10257 of 13.11.2023) that had been prepared by the Ministry of Finance together with the State Customs Service, in the first reading. The draft is going to be considered by the Verkhovna Rada of Ukraine in the second reading. 2. The training is conducted by the State Customs Service on a regular basis for the customs officials responsible for countering customs offences, at the specialised training and dog service department (Khmelnitskyi). From January to December 2024, the Specialised				2027			

Activity	Activity (performance indicator)	Key responsible party	Deadline	Status	Progress	Year of completion						
						2024	2025	2026	2027	2028	2029	2030
	responsible for countering customs offences.				Training and Dog Department organised advance training of 1,886 customs officials authorised to detect and terminate violation of the Ukrainian customs legislation, with due consideration of the amendments made to the Customs Code of Ukraine.							
The law on granting the customs authorities the right to conduct operative and search activities and pre-trial investigation in the cases involving smuggling of goods has been adopted.	207. The law on granting the customs authorities the right to conduct operative and search activities and pre-trial investigation in the cases involving smuggling of goods has been adopted.	Ministry of Finance	In 2024–2027 Note: this is not an annual activity. Deadline for the implementation of the activity — 2027	Not due yet	The laws of Ukraine “On Amending the Criminal Procedure Code of Ukraine and Other Legislative Acts to Improve Operations of the State Customs Service of Ukraine” and “On Amending the Customs Code of Ukraine to Improve Operations of the State Customs Service of Ukraine” are being drafted. These draft laws suggest establishing the specialised unit in the system of the State Customs Service that will be responsible for operative and search activities and pre-trial investigation into the criminal offences within the jurisdiction of the State Customs Service in accordance with the law, prescribing the procedure for designating the head of the unit, his or her powers, the official service procedure etc. Moreover, with due consideration of the powers to be imposed upon the specialised unit under the Law of Ukraine “On the Operative and Search Activities” and the Criminal Procedure Code of Ukraine, it is proposed to amend Articles 456, 457 of the Customs Code of Ukraine. The proposals to amend the Customs Code of Ukraine and some other legislative acts to grant the customs authorities the right to conduct operative and search activities and pre-trial investigation in smuggling cases are being processed and approved.				2027			