



Ukraine – Recent tax update

The Ukrainian Tax Authorities clarified amendments to the taxation of dividends that are effective from 1 January 2021.

For corporate income tax purposes, payments in monetary and non-monetary form made by a legal entity to its founder and/or participants in relation to the reduction of the authorized capital of that legal entity, the redemption of corporate rights in the authorized capital, the withdrawal of a participant from the legal entity, or any other similar transaction between a legal entity and its participant that results in a decrease in the undistributed profits of the legal entity will be regarded as dividends.

Such dividends will not be subject to advance corporate income tax payments.