

# **Ukraine Recovery Plan: Financial System Functioning, Reform and Development**

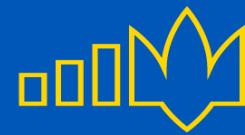
**July 2022**



## Committee № 2

### Working group "Financial System Functioning, Reform and Development"

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## SUMMARY

The war significantly affected the financial system. According to national and international expert institutions, Ukraine's GDP losses in 2022 due to the Russian military aggression may range from 30% to 50%. As a result of the economic downturn, state and local budget revenues are declining, while defense spending is rising. At the beginning of the war, the Parliament provided a number of benefits for taxes and duties to support business in difficult times. At the same time, the macroeconomic stability in recent years, the institutional capacity of the Ministry of Finance and the National Bank of Ukraine, and the priority measures taken allow the government to keep the situation under control in this extremely difficult period.

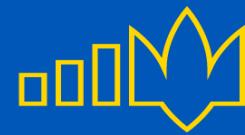
In order to ensure quick recovery, stimulate economic growth in the medium term and implement the European course of Ukraine, it is necessary to pursue a prudent fiscal policy, increase the efficiency of expenditures and tax/customs administration. At the same time, it is important to maintain partnership relations between business and the Government and improve the investment climate considering the social and environmental dimensions. Economic recovery requires financing, which can be provided through lending to businesses by commercial banks or raising capital through developed capital markets in Ukraine.

The purpose of the Recovery Plan is to rebuild a modern, stable and efficient financial system aimed at ensuring the financial stability of the state and creating conditions for further sustainable growth of a socially inclusive economy and improving citizens' welfare through providing efficient savings, distribution and circulation of financial resources in the economy.

The Recovery Plan of the Working Group "Financial System Functioning, Reform and Development" is divided into areas: "State (public) finances" and "Development of the banking system, non-banking financial services and capital markets".

Achieving the goal of the area "State (public) finances" is expected by accomplishing the following strategic objectives:

- **Budget and debt policy:** Implement policies that will help restore fiscal and debt sustainability, ensure budget transparency and predictability of the budget system, increase the efficiency of budget expenditures and strengthen the financial capacity of local communities to ensure complete and timely financing of state commitments at national and local levels;
- **Tax policy:** Building a tax system that takes into account the requirements for Ukrainian integration into the global economy as a reliable tax jurisdiction, that provides taxpayers with the opportunity to fulfill their responsibilities necessary for the recovery and sustainable development of the country;
- **Customs policy:** Building a predictable customs system based on EU practice, which increases the quality of foreign trade in Ukraine, balances the security function of customs and partnerships with business, and integration of Ukrainian enterprises into international supply chains.
- Achieving the goal of the area "Development of the banking system, non-banking financial services and capital markets" is expected by accomplishing the following strategic objectives:
- **Banking system and non-bank financial services market:** Ensuring the stability of the financial system and providing businesses with affordable bank lending;
- **Capital markets:** Activation and efficiency increase of capital markets and organized commodity markets, as well as integration of Ukrainian capital markets into the European financial area in order to attract foreign investment in equity and debt capital of real sector enterprises.



## Current state of the industry/sector:

As a result of the performed financial sector reforms Ukraine achieved macroeconomic and financial stability, the public debt-to-GDP ratio decreased, stable banking system functioning was ensured, and all the international credit rating agencies increased Ukraine's credit rating. In recent years, Ukraine completed the following:

- Performed the financial sector reform, which contributed to the increased ability of regulators and financial market participants to withstand crises;
- Introduced large-scale customs and tax authorities transformation processes with the support of the international partners;
- Achieved progress in approximating Ukrainian law (incl. tax and customs) to the EU legislation in the framework of the EU Association Agreement and other international obligations of Ukraine;
- Initiated changes to insurance market oversight.

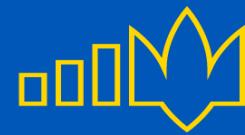
In the first hours of the large-scale Russian invasion, a number of measures were taken to maintain the stable operation of the banking system and banking payment infrastructure, which allowed to avoid a critical outflow of funds from the banking system. To ensure price and financial stability the exchange rate was fixed and a number of administrative restrictions were introduced. To mitigate the economic shock a decision was made to introduce tax benefits and additional social benefits.

The drastic decline in economic activity and tax and customs policy changes led to a significant reduction in tax revenues in February-May. The abolition of VAT and customs duties on imports led to a decrease in budget revenues, as well as to increased imports of goods in April and May, despite the implementation of a list of critical imports. At the same time, budget expenditures have increased significantly, primarily for military needs and social programs, business support, and the reconstruction of critical infrastructure in the regions affected by Russian shelling and bombing. Expenditure prioritization has been introduced. The minimal need for financing the fiscal gap, according to the Ministry of Finance, is about USD 5 billion per month.

The budget deficit from March to May was financed primarily through direct buyouts by the National Bank of Ukraine and the market placement of war bonds. Another source of funding was international soft loans, while the amount of international grants (which are credited to budget revenues) is not yet significant. Inflation and devaluation pressures remain high and are growing, in particular, due to supply chain disruptions, difficult logistics and rising energy prices.

During the war financial institutions face significant problems in their activities: the inability to work in regions where active military actions are taking place, the decrease in customer solvency, damage or destruction of collateral, and lack of staff. At the same time, the amount of clients' funds in banks increased, which ensured a consistently high level of liquidity despite the risks. The banks maintained a moderate demand for credit resources from corporations, which was facilitated by the simplification of conditions for participation in the state program "Affordable Loans 5-7-9%". In the future, the main factor influencing the financial condition of banks will be the realization of credit risk, which will significantly reduce the capital of banks.

The war has significant impact on the functioning of the financial system, but all government functions are currently being performed, and the banking and budget systems are proving their resilience, including the National Bank, Ministry of Finance, State Treasury Service, State Tax Service and State Customs Service and other institutions that continue to work together and take measures to stabilize the work. Further losses from the war and impact on the financial system depend, among other things, on the duration of the active phase of the military actions, the scale of destruction, availability and speed of receiving international aid, the implementation of policies to support the economy, transparency and predictability of the state policy in all spheres.



## Key indicators, the impact of the war on the industry, the state of implementation of policy documents, etc.

This year 7 laws were adopted amending the Law of Ukraine "On the State Budget of Ukraine for 2022", as a result of which the budget revenues were increased by UAH 26.5 billion, or by 2%, the budget expenditures were increased by UAH 581.7 billion, or 38.8%, the deficit limit increased by UAH 555.3 billion, or 3.9 times.

At the same time, the increase in state budget expenditures was made, first of all, on:

- implementation of measures to increase the defense capabilities and security of the state – UAH 338 billion;
- replenishment of the reserve fund - UAH 201.5 billion (of which UAH 200 billion is aimed exclusively at implementing security and defense measures, financial support for internally displaced persons);
- social protection and social security - UAH 38.4 billion.

In January-May 2022, the revenues of the general fund of the state budget amounted to UAH 467.2 billion, which was 99.8% of the revised plan for this period.

At the same time, there was an unplanned receipt of certain incomes, most of which were:

- grants, assistance and other transfers from the EU, foreign governments, international organizations, donor institutions (+38.3 billion UAH, or 13 times, mostly unplanned and received in April-May);
- part of net profits of state-owned enterprises and dividends on the state share of ownership (+36.6 billion UAH, or 14.9 times, mainly due to advance payments in March);
- value-added tax on goods (works, services) produced in Ukraine, taking into account the budget reimbursement (+16.2 billion UAH, or 23.7%);
- rent for subsoil use (+9.3 billion UAH, or 30.6%);
- funds transferred by the National Bank (+5.2 billion UAH, or 38.3%, received early in February);
- excise tax on excisable goods (products) imported into the customs territory of Ukraine (+3.9 billion UAH, or 63.7%).

At the same time, the target indicators of some revenues have not been met, in particular: value-added tax on goods imported into Ukraine (-70.8 billion UAH, or 45.1%); corporate income tax (-13.4 billion UAH, or 17.8%), excise tax on excisable goods (products) produced in Ukraine (-11.7 billion UAH, or 45.9%); import duty (-5 billion UAH, or 49.7%); personal income tax and military tax (-3.4 billion UAH, or 6%).

According to the information from the State Treasury Service for 5 months of the current year, cash expenditures of the general fund of the state budget were made in the amount of UAH 740 billion, or 74.4% of the revised plan for this period. Funding for defense and security and social benefits was a priority for spending.

In January-May 2022, the general fund of the state budget deficit amounted to UAH 270.8 billion (51.5% of the revised plan for this period), public debt repayment amounted to UAH 169.3 billion (99.5% of the revised plan for this period), payments on public debt service were UAH 75 billion (97.5% of the revised plan for this period).

State borrowings to the general fund of the state budget during 5 months of the current year amounted to UAH 376.6 billion, or 170.5% of the plan for this period. In particular, UAH 225.5 billion were attracted from the placement of State Treasury Service bonds to finance the state budget, of which UAH 200.2 billion was due to the issuance of war bonds (including UAH 120 billion acquired by NBU). External borrowings amounted to UAH 151.1 billion, of which significant funds were received from: the International Monetary Fund (UAH 41.3 billion / USD 1.4 billion); the European Union (UAH 37.1 billion / EUR 1.2



billion); the International Bank for Reconstruction and Development (UAH 22.6 billion / USD 285.8 million and EUR 0.4 billion); the European Investment Bank (UAH 21.1 billion / EUR 639 million); the Government of Canada (UAH 11.5 billion / USD 392.8 million); the French Development Agency (UAH 9.7 billion / EUR 300 million); the German credit institution for reconstruction (UAH 4.8 billion / EUR 150 million); the Japan International Cooperation Agency (UAH 3 billion / JPY 13 billion).

Since the beginning of the year, 4 Government resolutions have been made that provide state guarantees in 2022 to ensure partial fulfillment of debt obligations on the portfolio of loans of 28 creditor banks provided to micro, small and medium enterprises, the residents of Ukraine, in total almost UAH 23 billion. During 4 months of the current year, relevant state guarantees were provided in the amount of UAH 19.1 billion, of which UAH 17.9 billion in April.

Funds of budgets and other clients of the State Treasury Service on June 1, 2022 amounted to UAH 24.7 billion, including: on the State Treasury Service single account – UAH 10.4 billion, on the accounts of the State Treasury Service in banking institutions – UAH 1.5 billion, on other accounts – UAH 12.8 billion.

Inflationary pressures are rising, prompting accelerated normalization of monetary policy. Consumer inflation accelerated to 18% YoY in May compared with 16.4% YoY in April. Given the increase in macroeconomic risks in June, the NBU returned to active interest rate policy, raising its Key Policy Rate from 10% to 25%, which will strengthen the protection of hryvnia income and savings and help the NBU to ensure exchange rate stability and curb inflation during the war.

Timely coordination of the efforts of the international partners and the government of Ukraine is an important element in the implementation of post-war recovery tasks. This will be facilitated by the implementation of the Public Finance Management Strategy 2022-2025, which was prepared in coordination with international partners and adopted in December 2021, and the Strategy of Ukrainian Financial Sector Development until 2025.

Further activities on the reform and development of the financial system should focus primarily on the implementation of already adopted policy documents, a gradual return to the operating conditions, that were before 24 February 2022, and the alignment of national legislation with EU legislation.

## **Key challenges of the area:**

- Partial or complete destruction of infrastructure and industrial and logistical facilities
- Economic recession
- Growing state budget deficit and public debt
- Decrease in tax revenues, payment of taxes in advance, uncertainty about the payment of taxes by the end of the year
- Significant burden on the state budget while reducing revenues and increasing expenditures
- Further prioritization of expenditures and ensuring their efficiency and achievement of results
- Pressure on the national currency due to the deterioration of the balance of payments and the realization of pro-inflationary risks
- Capital outflows and deterioration of the financial condition of financial institutions
- Simultaneous rapid decline in real and nominal incomes and savings of the population
- High risks to the national economy and specific enterprises in the military and post-war economy
- Legislation on the functioning of the financial system that is not fully harmonized with EU legislation slows down European integration and accession to the EU



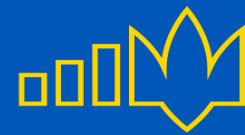
- Failure to fully apply the practice of combating fraud and terrorism through the instruments of customs and tax policy, the use of the security function of customs authorities
- Deteriorating financial conditions in international markets due to tighter financial conditions, the slowdown in the world economy and geopolitical tensions.

## **Key opportunities:**

- Wide access to international cooperation and support from Ukraine's partners
- Accelerate efforts to analyze gaps and bring Ukrainian legislation in line with EU legislation
- Ukraine's further integration into the global economy as a reliable tax jurisdiction, whose tax policy provides taxpayers with an opportunity to fulfill their responsibilities, and allows the state to fund its obligations
- Integration of Ukraine's financial system with the EU countries
- Providing the financial system with long-term resources and expanding lending
- Rapid development of digital channels for financial services
- Strengthening the security of financial institutions.

## **Key constraints / framework:**

- Uncertainty about the timing of the end of military actions
- Continuation of the infrastructure destruction until the end of military actions
- High need for funding the defense expenditures and further reconstruction of the country
- Lack of internal financial resources
- Maintaining price and financial stability
- Maintaining a balance between price and financial stability and economic development
- Insufficient level of Ukraine's investment attractiveness
- High risks for restoration of crediting of the economy
- Destruction and damage of collateral for bank loans.

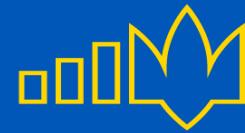


## AREA: "STATE (PUBLIC) FINANCES"

### SUBGROUP 1: TAX POLICY

#### 1. The main issues that need to be resolved as a part of the Recovery Plan in the field of "Finance system operation, its transformation, and development"

Impact of the war on the defined sphere of analysis:	
Key challenges (summarized for a defined scope: <b>Tax policy</b> )	<ol style="list-style-type: none"> <li>1. The need to find a balance between ensuring financing of the most critical budget items and encouraging restoration of the economy</li> <li>2. Urgent need to improve procedures for the administration of mandatory payments to ensure transparency, eliminate unnecessary bureaucratic processes, and reduce administrative costs</li> <li>3. Urgent need to transform the administration procedure of certain taxes according to the best international tax standard</li> <li>4. The need to enhance the institutional capacity of tax authorities to ensure tax control's effectiveness and increase taxpayers' satisfaction with the level of service</li> <li>5. The need to ensure fiscal discipline and maintain taxpayers' tax culture in the conditions of instability of political environment</li> <li>6. Accumulating risks with a high probability of their occurrence – the mass nature and catastrophic character of the damages for people and businesses due to the warfare, which will significantly impact the level of tax revenues and taxpayers' possibilities to fulfill their obligations</li> </ol>
Key opportunities (summarized for a defined scope: <b>Tax policy</b> )	<ol style="list-style-type: none"> <li>1. The opportunities for developing the tax system, which considers the requirements for Ukraine's EU integration and the global economy as a reliable tax jurisdiction, ensure possibilities for taxpayers to fulfill their obligations and possibilities for the State –to fund its obligations</li> <li>2. Unprecedented support of world leaders, prospects of Ukraine becoming a candidate country for EU membership. Opportunities for gradual harmonization of the tax and customs legislation of Ukraine with EU legislation (as a condition of EU membership)</li> <li>3. Introduction of new IT solutions that are compatible with EU IT solutions that create new instruments to develop a risk analysis system, provide a balance of control measures and simplification and ensure fulfillment of the candidate's criteria for EU membership in the maturity of IT systems of tax authorities</li> </ol>
Key constraints (summarized for a defined scope: <b>Tax policy</b> )	<ol style="list-style-type: none"> <li>1. Inability to predict the time of the end of the war on the territory of Ukraine and the state of the infrastructure: <ul style="list-style-type: none"> <li>- constant risks of increasing destruction of logistics, customs, other infrastructure, and the complexity of planning its reconstruction</li> <li>- the need to take into account the limitations of business in the restoration and development of foreign economic relations and volumes of export (lost or destroyed means of production, logistics routes, etc.; difficulty in keeping labor resources, ,</li> </ul> </li> </ol>



Impact of the war on the defined sphere of analysis:

	<p>unpredictability in the planning of business preservation, and development; decrease in volume and geography of markets for sale of goods and services; dependence on foreign exchange restrictions, currency fluctuations and unpredictable trends in the financial market during the war)</p> <ol style="list-style-type: none"> <li>2. Inability to determine the fundamental indicators necessary to assess the effectiveness of the tax system, including for the purpose of defining the directions of its transformation in the post-war period (the number of active taxpayers at the time of the cancellation or termination of the martial law, the amount of tax debt, the number of accumulated losses, the number of hired workers and self-employed who continue their activity, etc.)</li> <li>3. The need to finance the expenditures of the State budget in conditions of sharply falling revenues because of the war.</li> <li>4. The inability of "immediate" implementation of any significant changes, the need for time for their development and implementation, especially the in part of IT systems of the State Tax Service and other state authorities</li> </ol>
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## 2. Goals, objectives, and stages of the Recovery Plan in the defined scope

### 2.1. Specific goals

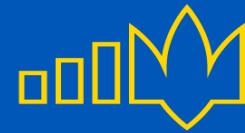
	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
<b>I. COMPLEX ISSUES</b>			
<p><b>1.1.</b> Presence of urgent issues related to the military aggression of the Russian Federation (aggressor-state) against Ukraine and circumstances of martial law arising from taxpayers regarding the application of current requirements of the Tax Code of Ukraine and legislation, control of compliance with which is supervised by the control authorities.</p>			
Each stage's goal to be achieved to solve the problem	<p><b>Goal 1 (I):</b> Settlement of the issues related to the military aggression of the Russian Federation (aggressor-state) against Ukraine and circumstances of martial law arising from taxpayers regarding the application of current requirements of the Tax Code of Ukraine and legislation, control of compliance with which is supervised by the control authorities. Resolution of</p>		



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
	particular technical problems that have arisen in the administration of taxes and duties as a result of the martial law period introducing		
Deadline within the stage	December 2022.		
Risks for achieving the goal	Military aggression of aggressor-state. Inconsistency of positions of state authorities		
Measurable indicator of goal achievement	Amendments to the legislation of Ukraine have been developed and adopted (as defined in Section 4). Relevant secondary legislation has been developed and adopted to implement the approved amendments to the legislation of Ukraine		
The total amount of financial resources required to achieve the goal	Does not require additional funding		
Proposed sources of financing	X		
Connection with other areas	WG on finance system operation, its transformation, and development /WG on customs policy		
International reports, standards, and regulations	X		
The related sphere of EU law regulation	X		
<b>1.2.</b> Presence of issues that must be resolved in tax periods accounting for the moment of termination or lifting of martial law, related to the application of current requirements of the Tax Code of Ukraine and legislation control of compliance supervised by the control authorities.			



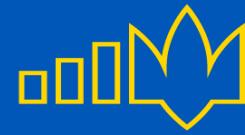
	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
Each stage's goal to be achieved to solve the problem		<b>Goal 1 (II):</b> Settlement of the issues that must be resolved in tax periods accounting for the moment of termination or cancellation of martial law period, related to the application of current requirements of the Tax Code of Ukraine and legislation control of compliance with which is supervised by the control authorities. Resolution of particular technical problems has arisen in the administration of taxes and duties after the termination or lifting of the martial law	
Deadline within the stage		Three months after lifting the martial law	
Risks for achieving the goal		Inability to predict the time of the termination or lifting of the martial law Inconsistency of positions of state authorities	
Measurable indicator of goal achievement		Amendments to the legislation of Ukraine have been developed and adopted (as defined in Section 4). Relevant secondary legislation has been developed and adopted to implement the approved amendments to the legislation of Ukraine	
The total amount of financial resources required to achieve the goal		Does not require additional funding	



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
Proposed sources of financing		X	
Connection with other areas		WG on finance system operation, its transformation, and development /WG on customs policy	
International reports, standards, and regulations		X	
The related sphere of EU law regulation		X	
<b>1.3. The inconsistency of Ukrainian legislation with the tax legislation of the European Union, the need for approximation due to granting Ukraine the EU candidate status.</b>			
Each stage's goal to be achieved to solve the problem	<b>Goal 1 (II):</b> Development of recommendations on the order of processing of the EU Directives' provisions on accrual and payment of taxes and administration of taxes that are required to be implemented in the Ukrainian legislation	<b>Goal 2 (II):</b> Development of provisions and proposals for the introduction of amendments to the Tax Code of Ukraine (other legislation of Ukraine if necessary) following the results of the previous stage	<b>Goal 3 (III):</b> Preparation and adoption of legislative amendments necessary for the implementation of the EU Directives to the legislation of Ukraine <b>Goal 4 (III):</b> Development and introduction of the necessary IT solutions
Deadline within the stage	December 2022	December 2025	<b>Goal 3 (III):</b> December 2026 <b>Goal 4 (III):</b> December 2028
Risks for achieving the goal	Military aggression of aggressor-state Inconsistency of positions of state authorities	Lack of knowledge of EU legislation in the state authorities of Ukraine.	Inconsistency of positions of state authorities Lack of knowledge of EU legislation in the state authorities of Ukraine
Measurable indicator of goal achievement	Developed "The Roadmap of harmonizing Ukrainian legislation with EU tax legislation"	Developed amendments to Ukrainian legislation according to the approved roadmap	<b>Goal 3 (III):</b> Approved amendments to Ukrainian legislation developed according to challenges for achieving goal 2 (II);



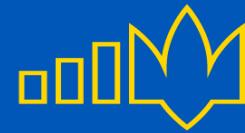
	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
			<p>Development and amendment of secondary legislation to implement the approved changes to the legislation of Ukraine.</p> <p><b>Goal 4 (III):</b> Developed and introduced necessary IT solutions in connection with changes to the legislation of Ukraine.</p>
The total amount of financial resources required to achieve the goal	Additional calculations are required	Additional calculations are required	Additional calculations are required
Proposed sources of financing	International technical assistance is required (project EU4PFM)	International technical assistance is required	International technical assistance is required
Connection with other areas	WG "Eurointegration", WG on finance system operation, its transformation, and development / WG on customs policy	WG "Eurointegration", WG on finance system operation, its transformation, and development / WG on customs policy	WG "Eurointegration", WG on finance system operation, its transformation, and development / WG on customs policy, WG "Digitalization"
International reports, standards, and regulations	X	X	X
The related sphere of EU law regulation	<b>Ref. to</b> Section 7 "The main legislative acts of the EU in the sphere of taxation and their implementation in the legislation of Ukraine"		
<p><b>1.4.</b> A request of taxpayers to determine and implement comprehensive qualitative transformations of the tax system in the postwar period.</p> <p>Within the framework of post-war reconstruction, Ukraine will face the issue of a significant transformation of tax policy that is connected not only to the necessity of considering the peculiarities and trends of economic development during the post-war period but to reconsidering vectors of expenditures within public financing. Key internal constraints and challenges will be the need for balance-building between the desire of taxpayers, both within the framework of taxation of personal incomes and corporate income tax, provision of tax privileges, reduction of the tax burden, and general liberalization of the tax system and also requirements of the business that are ensuring a high degree of involvement of the state in providing broad-based services to cover the needs of the private sector of the economy</p>			



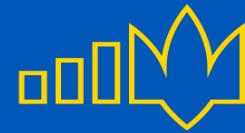
	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
<p>for external financial resources and private ones to coverage not only of social guarantees but also compensation of damages caused by military actions (in particular, expansion of the state program of financing of the plan of "affordable housing", coverage of lost income, etc.).</p> <p>Such a discussion requires harmonizing national tax legislation with EU law and Ukraine's integration into the world economy as a reliable tax jurisdiction. The proposed changes should ensure taxpayers' possibilities to fulfill their obligations and the state's possibilities to fund its obligations. An important requirement is to apply a comprehensive approach to the analysis of all elements of the tax system, taking into account the world's best practices and trends in global tax policy development. Uncertainty at the first stage of the Plan regarding the amount of funding, which should be covered at the following stages through public sources, and lack of the possibility to forecast the uniformity of tax payments (because of the uncertainty of the number of taxpayers' figures, their distribution by sector of the economy, their financial condition at the moment of termination or lifting of the martial law and also their solvency and potential for economic growth) almost impossible to discuss the volume of tax incentives for their implementation in the medium and long term (from five and more years).</p> <p>As a result, the discussion of transformation directions should take place at the first stage, but the completion can be within the second stage of the Plan. Such a forum requires the involvement of not only national experts and business associations representatives but also international experts – OECD, Global Forum on Transparency and Exchange of Information for Tax Purposes, IMF, EU.</p>			
<p>Each stage's goal to be achieved to solve the problem</p> <p><b>Goal 1 (I):</b> Development of the Concept of Transformation of the Tax System of Ukraine in the Post-War Period (with the Involvement of National and International Experts, OECD, IMF, and EU Experts)</p> <p><b>Goal 2 (II):</b> Clarification and harmonization of the Concept of transformation of the tax system of Ukraine in the post-war period.</p> <p><b>Goal 3 (II):</b> Preparation and adoption of legislative changes provided by the Concept of Transformation of the Tax System of Ukraine.</p> <p><b>Goal 4 (III):</b> Development and implementation of necessary IT solutions.</p>			
Deadline within the stage	December 2022	<p><b>Goal 2 (II):</b> Two months after termination or lifting the martial law.</p> <p><b>Goal 3 (II):</b> Six months after termination or lifting the martial law.</p> <p><b>Goal 4 (II):</b> Terms are defined by amendments.</p>	
Risks for achieving the goal	Military aggression of aggressor-state	<b>Goals 2 (II), 3 (II):</b>	



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
	<p>Inconsistency of positions of state authorities and interested parties (stakeholders)</p> <p>Inconsistency of the proposals developed the Concept of the position of international partners</p>	<p>Inability to predict the time of the termination or lifting of the martial law</p> <p><b>Goal 4 (II):</b> Lack of funding</p>	
Measurable indicator of goal achievement	Developed "Concept of transformation of tax system of Ukraine", which takes into account requirements for Ukraine's integration into the world economy as a reliable tax jurisdiction, ensure taxpayers' possibilities to fulfill their obligations and the state's possibilities to fund its obligations	<p><b>Goal 3 (II):</b> Amendments to the legislation of Ukraine have been developed according to challenges for achieving goal 2 (II). Relevant secondary legislation has been developed and adopted to implement the approved amendments to the legislation of Ukraine.</p> <p><b>Goal 4 (II):</b> Developed and introduced necessary IT solutions in connection with changes to the legislation of Ukraine.</p>	
The total amount of financial resources required to achieve the goal	Additional calculations are required	Additional calculations are required	
Proposed sources of financing	International technical assistance is required.	International technical assistance is required	
Connection with other areas	WG on finance system operation, its transformation, and development / WG on customs policy, WG "Eurointegration", WG "Economic recovery and development", WG "Digitalization", WG "Social policy", WG	WG on finance system operation, its transformation, and development / WG on customs policy, WG "Eurointegration", WG "Economic recovery and development", WG "Digitalization", WG "Social policy", WG	



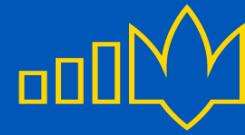
	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
	"New Agricultural policy", and other working groups	"New Agricultural policy", and other working groups	
International reports, standards, and regulations	X	X	
The related sphere of EU law regulation	X	X	
<b>II. VALUE-ADDED TAX PAYMENT</b>			
<p><b>2.1.</b> The inconsistency of legislation of Ukraine on value-added tax (VAT) with some of the provisions of Directive 2006/112/EU dated 28 November 28 2006 "On the common system of value-added tax".</p>			
Each stage's goal to be achieved to solve the problem	<p><b>Goal 1 (I):</b> Identifying the provisions of the EU Directive 112 (Directive 2006/112/EU dated 28 November 28 2006 "On the common system of value-added tax") that are required to be implemented in the legislation of Ukraine on value-added tax (VAT) and other legislation (if necessary)</p>	<p><b>Goal 2 (II):</b> Development of provisions and proposals for the introduction of amendments to the Tax Code of Ukraine (other legislation of Ukraine if necessary) following the results of the previous stage</p>	<p><b>Goal 3 (III):</b> Development and introduction of the necessary IT solutions</p>
Deadline within the stage	December 2022	December 2025	April 2027
Risks for achieving the goal	Military aggression of aggressor-state. Inconsistency of positions of state authorities involved in the process of implementation of Directive 2006/112/EU	Inconsistency of positions of state authorities involved in the process of implementation of Directive 2006/112/EU	Inconsistency of positions of state authorities involved in the process of implementation of Directive 2006/112/EU
Measurable indicator of goal achievement	Developed "The Roadmap of harmonizing Ukrainian legislation with Directive 2006/112/EU"	Developed and approved amendments to Ukrainian legislation harmonizing Ukrainian tax legislation with Directive 2006/112/EU	Developed and introduced necessary IT solutions in connection with changes to the legislation of Ukraine



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
The total amount of financial resources required to achieve the goal	Additional calculations are required	Additional calculations are required	Additional calculations are required
Proposed sources of financing	International technical assistance is required (project EU4PFM)	International technical assistance is required	International technical assistance is required
Connection with other areas	WG "Eurointegration", WG on finance system operation, its transformation, and development / WG on customs policy	WG "Eurointegration", WG on finance system operation, its transformation, and development / WG on customs policy	WG "Eurointegration", WG on finance system operation, its transformation, and development / WG on customs policy
International reports, standards, and regulations	X	X	X
The related sphere of EU law regulation	Directive 2006/112/EU dated 28 November 2006 "On the common system of value-added tax": <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32006L0112">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32006L0112</a>	X	X
<b>III. EXCISE DUTY</b>			
<b>3.1.</b> The need to perform the obligations under the Association Agreement between Ukraine and the EU (in the part of excise duty on fuel). A shortfall in revenues to the state budget. The necessity to ensure financing of particular State Road Fund.			
Each stage's goal to be achieved to solve the problem	<b>Goal 1 (I):</b> Removal of tax privileges (duty rate "0") for excise duty on fuel (step-by-step increasing of excise duty rates on fuel to its pre-war levels, and after that – to the minimal EU rates		
Deadline within the stage	December 2022		



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
Risks for achieving the goal	Military aggression of aggressor-state. Inconsistency of positions of state authorities		
Measurable indicator of goal achievement	Amendments to the legislation of Ukraine have been developed and adopted (as defined in Section 4). Relevant secondary legislation has been developed and adopted to implement the approved amendments to the legislation of Ukraine		
The total amount of financial resources required to achieve the goal	Does not require additional funding		
Proposed sources of financing	X		
Connection with other areas	WG "Eurointegration"		
International reports, standards, and regulations	X		
The related sphere of EU law regulation	X		
<p><b>3.2.</b> The necessity of implementing an Association Agreement between Ukraine and the EU (in the part of monitoring the movement of excise goods). Improvement of administration of the excise duty on fuel and ethyl alcohol.</p>			
Each stage's goal to be achieved to solve the problem	<b>Goal 1 (I):</b> Processing of the suggestion to improve the system of electronic administration of fuel and ethyl alcohol turnover (SEAFAT)	<b>Goal 2 (II):</b> Preparation and negotiation with the Tax Service of Ukraine and business entities, the legislative amendments on reflection at the SEAFAT the data on the owners of fuel for further identification of fake operation (currently, the records are	



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
		<p>made using the places of storage and shipment)</p> <p><b>Goal 3 (II):</b> Renewing the IT solutions (systems) used by the Tax Service of Ukraine</p>	
Deadline within the stage	December 2022	<p><b>Goal 2 (II):</b> June 2023</p> <p><b>Goal 3 (II):</b> Six months after the adoption of legislative changes</p>	
Risks for achieving the goal	Military aggression of aggressor-state. Inconsistency of positions of state authorities and interested parties (stakeholders)	Inconsistency of positions of state authorities.	
Measurable indicator of goal achievement	Developed suggestions for improvement SEAFEAT	<p><b>Goal 2 (II):</b> Amendments to the legislation of Ukraine have been developed and adopted (as defined in Section 4) Relevant secondary legislation has been developed and adopted to implement the approved amendments to the legislation of Ukraine</p> <p><b>Goal 3 (II):</b> IT solutions of the State Tax Service have been updated by the changes introduced</p>	
The total amount of financial resources required to achieve the goal	<b>Goal 1 (I):</b> Does not require additional funding	<p><b>Goal 2 (II):</b> Does not require additional funding</p> <p><b>Goal 3 (II):</b> Additional calculations are required</p>	



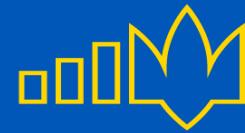
	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
Proposed sources of financing		<b>Goal 3 (II):</b> International technical assistance is required	
Connection with other areas	WG "Eurointegration"	WG "Eurointegration"	
International reports, standards, and regulations	X	X	
The related sphere of EU law regulation	X	X	
<b>3.3. Pressure on business entities storing fuel for their purposes and removing the obstacles to exercise of their legal business activities.</b>			
Each stage's goal to be achieved to solve the problem	<b>Goal 1 (I):</b> Removing pressure on business entities storing fuel for their purposes and any obstacles to exercise of their legal business activities		
Deadline within the stage	December 2022		
Risks for achieving the goal	Military aggression of aggressor-state Inconsistency of positions of state authorities		
Measurable indicator of goal achievement	Amendments to the legislation of Ukraine have been developed and adopted (as defined in Section 4). Relevant secondary legislation has been developed and adopted to implement the approved amendments to the legislation of Ukraine		
The total amount of financial resources required to achieve the goal	Does not require additional funding		



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
Proposed sources of financing	X		
Connection with other areas	X		
International reports, standards, and regulations	X		
The related sphere of EU law regulation	X		
<b>3.4. The need for approximation of Ukrainian legislation to the provisions of EU legislation on control over the tobacco's turnover.</b>			
Each stage's goal to be achieved to solve the problem	<p><b>Goal 1 (I):</b> Regulatory control on the introduction of an electronic system of control over the tobacco's circulation</p>	<p><b>Goal 1 (II):</b> Regulatory control on the introduction of an electronic system of control over the tobacco's circulation</p> <p><b>Goal 2 (II):</b> Development of IT solutions to introduce an electronic system of control over the tobacco's circulation</p>	
Deadline within the stage	December 2022.	<p><b>Goal 1 (II):</b> December 2023</p> <p><b>Goal 2 (II):</b> December 2025</p>	
Risks for achieving the goal	<p><b>Goal 1 (I):</b> Military aggression of aggressor-state. Inconsistency of positions of state authorities</p>	<p><b>Goal 1 (II):</b> Inconsistency of positions of state authorities and interested parties (stakeholders)</p> <p><b>Goal 2 (II):</b> Ineffectiveness of the development of the appropriate IT solution</p>	
Measurable indicator of goal achievement	Draft Law of Ukraine has been developed	<p><b>Goal 1 (II):</b> Amendments to the legislation of Ukraine have been developed and adopted (as defined in Section 4)</p>	



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
		<p>Relevant secondary legislation has been developed and adopted to implement the approved amendments to the legislation of Ukraine</p> <p><b>Goal 2 (II):</b> IT system of the State Tax Service was updated to comply with legal changes and put into operation</p>	
The total amount of financial resources required to achieve the goal	Does not require additional funding	Additional calculations are required	
Proposed sources of financing	X	<p><b>Goal 2 (II):</b> Funds within the framework of The State Tax Service financing</p>	
Connection with other areas	WG "Eurointegration", WG "Digitalization"	WG "Eurointegration", WG "Digitalization"	
International reports, standards, and regulations	X	X	
The related sphere of EU law regulation	X	X	
<b>3.5. The need for improvement of licensure for facilitating doing business and simplification of administration</b>			
Each stage's goal to be achieved to solve the problem		<p><b>Goal 1 (II):</b> Lifting the paper-based licenses. Application of general requirements to the procedure of licenses' issuance and cancellation on all types of activities with excise goods</p>	
Deadline within the stage		December 2023	



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
Risks for achieving the goal		Inconsistency of positions of state authorities and interested parties (stakeholders)	
Measurable indicator of goal achievement		<p>Amendments to the legislation of Ukraine have been developed and adopted (as defined in Section 4).</p> <p>Relevant secondary legislation has been developed and adopted to implement the approved amendments to the legislation of Ukraine</p>	
The total amount of financial resources required to achieve the goal		Additional calculations are required	
Proposed sources of financing		Funds within the framework of The State Tax Service financing	
Connection with other areas		X	
International reports, standards, and regulations		X	
The related sphere of EU law regulation		X	
<b>3.6. The need for regulation of consumption level of harmful to health food products in the way of excise duty introduction on them [tax on sugar-sweetened beverages].</b>			
Each stage's goal to be achieved to solve the problem		<b>Goal 1 (II):</b> Introduction of excise duty on sugar-sweetened beverages for decreasing consumption of sugar-sweetened beverages	



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
Deadline within the stage		December 2024	
Risks for achieving the goal		Risk of administrative and organizational performance of tasks (lack of coordination of positions, lack of understanding between the state authorities involved in the project)	
Measurable indicator of goal achievement		Amendments to the legislation of Ukraine have been developed and adopted (as defined in Section 4) Relevant secondary legislation has been developed and adopted to implement the approved amendments to the legislation of Ukraine	
The total amount of financial resources required to achieve the goal		Additional calculations are required	
Proposed sources of financing		To be clarified	
Connection with other areas		WG "Health care" (providing measures to overcome key risk factors, which causes a high burden of disease)	
International reports, standards, and regulations		Taxes on Sugar-Sweetened Beverages Summary of International Evidence and Experiences. World Bank: <a href="https://elibrary.worldbank.org/doi/abs/10.1596/33969">https://elibrary.worldbank.org/doi/abs/10.1596/33969</a> Policy brief: sugar-sweetened beverage taxation. UNICEF:	



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
		<p><a href="https://www.unicef.org/media/116681/file/Sugar-Sweetened%20Beverage%20(SSB)%20Taxation.pdf">https://www.unicef.org/media/116681/file/Sugar-Sweetened%20Beverage%20(SSB)%20Taxation.pdf?</a></p> <p>An analysis of the sugar-sweetened beverages tax in Catalonia, Spain:  <a href="https://www.fao.org/publications/card/en/c/CB4176EN">https://www.fao.org/publications/card/en/c/CB4176EN</a></p> <p>Implementing Taxes on Sugar-Sweetened Beverages: An overview of current approaches and the potential benefits for children. March 2019:  <a href="https://scalingupnutrition.org/news/implementing-taxes-on-sugar-sweetened-beverages-an-overview-of-current-approaches/">https://scalingupnutrition.org/news/implementing-taxes-on-sugar-sweetened-beverages-an-overview-of-current-approaches/</a></p> <p>A role for taxation in reducing Australia's sugar consumption:  <a href="https://taxpolicy.crawford.anu.edu.au/sites/default/files/uploads/taxstudies_crawford_anu.edu.au/2022-03/complete_policy_brief_1_2022_markes.pdf">https://taxpolicy.crawford.anu.edu.au/sites/default/files/uploads/taxstudies_crawford_anu.edu.au/2022-03/complete_policy_brief_1_2022_markes.pdf</a></p> <p>Paving the way for a sugar-sweetened beverages tax in Estonia:  <a href="https://policycommons.net/artifacts/546044/paving-the-way-to-a-sugar-sweetened-beverages-tax-in-estonia/1523650/">https://policycommons.net/artifacts/546044/paving-the-way-to-a-sugar-sweetened-beverages-tax-in-estonia/1523650/</a></p>	



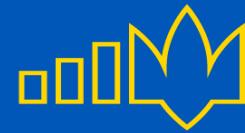
	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
The related sphere of EU law regulation		<p>Regulation of the European Parliament and the Council (EU) № 1169/2011 of 25 October 2011 on the provision of food information to consumers</p> <p>Regulation of the European Parliament and the Council (EU) №1333 / 2008 of 16 December 2008 on food additives</p>	
<b>IV. CORPORATE PROFIT TAX</b>			
<p><b>4.1.</b> The need to implement provisions of OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations 2022 and BEPS Actions 7, 8-10 and 13 that have not been fully implemented.</p>			
Each stage's goal to be achieved to solve the problem	<b>Goal 1 (I):</b> Improvement of transfer pricing rules considering the OECD Recommendations and international taxation experience		
Deadline within the stage	December 2022		
Risks for achieving the goal	Military aggression of aggressor-state. Inconsistency of positions of state authorities and interested parties (stakeholders)		
Measurable indicator of goal achievement	Amendments to the legislation of Ukraine have been developed and adopted (as defined in Section 4) Relevant secondary legislation has been developed and adopted to implement the approved amendments to the legislation of Ukraine		



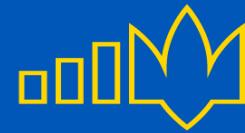
	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
The total amount of financial resources required to achieve the goal	Additional calculations are required		
Proposed sources of financing	To be clarified		
Connection with other areas	Need to attract qualified specialists and international experts		
International reports, standards, and regulations	OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations 2022: <a href="https://www.oecd.org/tax/transfer-pricing/oecd-transfer-pricing-guidelines-for-multinational-enterprises-and-tax-administrations-20769717.htm">https://www.oecd.org/tax/transfer-pricing/oecd-transfer-pricing-guidelines-for-multinational-enterprises-and-tax-administrations-20769717.htm</a>		
The related sphere of EU law regulation	X		
<b>4.2. The need for developing incentives for reinvestment in capital expenditures for corporate profit tax taxpayers.</b>			
Each stage's goal to be achieved to solve the problem	<b>Goal 1 (I):</b> The development of incentives for replacing outdated, worn-out, lost, and damaged manufacturing equipment through reinvestment		
Deadline within the stage	December 2022		
Risks for achieving the goal	Military aggression of aggressor-state. Inconsistency of positions of state authorities and interested parties (stakeholders)		



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
Measurable indicator of goal achievement	Amendments to the legislation of Ukraine have been developed and adopted (as defined in Section 4) Relevant secondary legislation has been developed and adopted to implement the approved amendments to the legislation of Ukraine		
The total amount of financial resources required to achieve the goal	Additional calculations are required		
Proposed sources of financing	To be clarified		
Connection with other areas	X		
International reports, standards, and regulations	X		
The related sphere of EU law regulation	X		
<b>V. PERSONAL INCOME TAX</b>			
<b>5.1.</b> The existence of an imbalance in revenues of personal income tax (PIT) between local budgets			
Each stage's goal to be achieved to solve the problem		<b>Goal 1 (II):</b> Change PIT's allocation mechanism according to the European rules based on information on where the taxpayers reside and vote <b>Goal 2 (II):</b> The development of IT decisions for ensuring the PIT's allocation mechanism using the taxpayer's place of residence	
Deadline within the stage		<b>Goal 1 (II):</b> June 2023.	



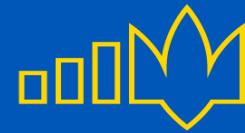
	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
		<b>Goal 2 (II):</b> January 2025.	
Risks for achieving the goal		<p><b>Goal 1 (II):</b>            Political resistance to large cities that benefit from the current system            The unwillingness of residents to register the change of their place of residence</p> <p><b>Goal 2 (II):</b>            Lack of resources to develop and implement new information systems</p>	
Measurable indicator of goal achievement		<p><b>Goal 1 (II):</b>            Amendments to the legislation of Ukraine have been developed and adopted (as defined in Section 4)            Relevant secondary legislation has been developed and adopted to implement the approved amendments to the legislation of Ukraine</p> <p><b>Goal 2 (II):</b>            Developed and implemented IT solutions envisaged by changes to the legislation of Ukraine</p>	
The total amount of financial resources required to achieve the goal		Additional calculations are required	
Proposed sources of financing		<p><b>Goal 2 (II):</b>            International technical assistance is required</p>	



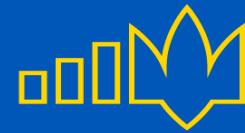
	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
Connection with other areas		WG "Public Administration", WG "Infrastructure Restoration and Development", WG "Economic Recovery and Development", WG "Construction, urban planning, modernization of cities and regions", WG "Eurointegration", WG "Digitalization"	
International reports, standards, and regulations		X	
The related sphere of EU law regulation		X	
<b>5.2. The need to introduce incentive models for the taxation of individuals.</b>			
Each stage's goal to be achieved to solve the problem			<p><b>Goal 1 (III):</b> The development of a legal base for the introduction of family-based taxation (household taxation):</p> <ul style="list-style-type: none"> <li>- granting of rights to specific categories of individuals to tax their total income by submitting a single joint declaration and the possibility of a joint tax discount (regard for common expenses)</li> <li>- increase of tax discount by providing tax deductions for expenses on dependent persons.</li> </ul> <p><b>Goal 2 (III):</b> Development of IT solutions to provide the mechanism of family-based taxation.</p>
Deadline within the stage			<b>Goal 1 (III):</b> January 2026.



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
Risks for achieving the goal		Risk of administrative and organizational performance of tasks (lack of coordination of positions, lack of understanding between the state authorities involved in the project)	<p><b>Goal 2 (III):</b> January 2027.</p> <p><b>Goal 1 (III):</b> Risk of administrative and organizational performance of tasks (lack of coordination of positions, lack of understanding between the state authorities involved in the project). Political resistance to large cities that benefit from the current system; including the unwillingness to reduce the amount of PIT collected to the budget due to the expansion of the tax credit</p> <p><b>Goal 2 (III):</b> Lack of resources to develop and implement new information systems</p>
Measurable indicator of goal achievement			<p><b>Goal 1 (III):</b> Amendments to the legislation of Ukraine have been developed and adopted (as defined in Section 4). Relevant secondary legislation has been developed and adopted to implement the approved amendments to the legislation of Ukraine</p> <p><b>Goal 2 (III):</b> Developed and implemented IT solutions envisaged by changes to the legislation of Ukraine</p>



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
The total amount of financial resources required to achieve the goal			<b>Goal 2 (II):</b> International technical assistance is required
Proposed sources of financing			To be clarified
Connection with other areas			WG "Social Policy", WG "Digitalization"
International reports, standards, and regulations			X
The related sphere of EU law regulation			X
<b>VI. RENT PAYMENT</b>			
<b>6.1.</b> The need for simplification of rent payment administration and the development of equal conditions of taxation for all the mobile communication operators.			
Each stage's goal to be achieved to solve the problem		<b>Goal 1 (II):</b> Lifting all the step-up and step-down ratios applied to the rent payment rates for using radio frequency resources for cellular communication with the simultaneous revision of rates	
Deadline within the stage		December 2022	
Risks for achieving the goal		Inconsistency of positions of state authorities and interested parties (stakeholders)	
Measurable indicator of goal achievement		Amendments to the legislation of Ukraine have been developed and adopted (as defined in Section 4) Relevant secondary legislation has been developed and adopted to implement	

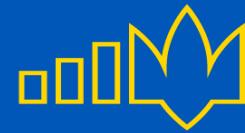


	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
		the approved amendments to the legislation of Ukraine	
The total amount of financial resources required to achieve the goal		Does not require additional funding	
Proposed sources of financing		X	
Connection with other areas		X	
International reports, standards, and regulations		X	
The related sphere of EU law regulation		X	

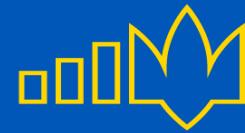
## **VII. ENVIRONMENT TAX**

**7.1.** The need for transformation of the national system of environmental taxation's structure according to the EU classification standards.

Each stage's goal to be achieved to solve the problem		<b>Goal 1 (II):</b> To reconsider the environment tax rates for waste disposal using the "polluter pays more" principle <b>Goal 2 (II):</b> To carry out analytical work and introduce an environmental taxation mechanism change regarding carbon dioxide emissions (CO <sup>2</sup> ) <b>Goal 3 (II):</b> To carry out analytical work necessary for the approximation of the current system of national environmental taxation to the EU tax system	<b>Goal 4 (III):</b> To harmonize the current system of national environmental taxation in Ukraine with the EU tax system
Deadline within the stage		<b>Goal 1 (II):</b> December 2022 <b>Goal 2 (II):</b> December 2023	December 2026



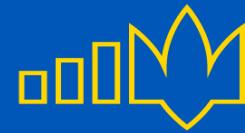
	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
		<b>Goal 3 (II):</b> December 2023	
Risks for achieving the goal		<b>Goals 1 (II), 2 (II), 3 (II):</b> Inconsistency of positions of public authorities and interested stakeholders	Inconsistency of positions of public authorities and interested stakeholders.
Measurable indicator of goal achievement		<b>Goals 1 (II), 2 (II):</b> Amendments to the legislation of Ukraine have been developed and adopted (as specified in Section 4) Relevant secondary legislation has been developed and adopted to implement the approved amendments to the legislation of Ukraine <b>Goal 3 (II):</b> Analytical report regarding measures required to harmonize the existing system of national environmental taxation with the EU tax system	Amendments to the legislation of Ukraine have been developed and adopted (as specified in Section 4) Relevant secondary legislation has been developed and adopted to implement the approved amendments to the legislation of Ukraine
The total amount of financial resources required to achieve the goal		Additional calculations are required	Additional calculations are required
Proposed sources of financing		International technical assistance	International technical assistance
Connection with other areas		WG "Environmental Safety"	WG "Environmental Safety"
International reports, standards, and regulations		Breuing J. A revision of Ukraine's Carbon Tax: <a href="https://www.lowcarbonukraine.com/wp-content/uploads/A-Revision-of-Ukraines-Carbon-Tax.pdf">https://www.lowcarbonukraine.com/wp-content/uploads/A-Revision-of-Ukraines-Carbon-Tax.pdf</a>	X



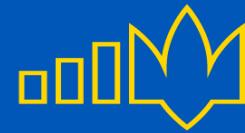
	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
		<p>OECD (2021). Effective Carbon Rates 2021. Pricing Carbon Emissions through Taxes and Emissions Trading:</p> <p><a href="https://www.oecd-ilibrary.org/sites/0e8e24f5-en/1/3/1/index.html?itemId=/content/publication/0e8e24f5-en&amp;csp=9e1e8b508d47c48ebab5cddb217622cd&amp;itemOitig">https://www.oecd-ilibrary.org/sites/0e8e24f5-en/1/3/1/index.html?itemId=/content/publication/0e8e24f5-en&amp;csp=9e1e8b508d47c48ebab5cddb217622cd&amp;itemOitig</a></p>	
The related sphere of EU law regulation		X	<p>Environmental taxes. A statistical guide / Luxembourg: Publications Office of the European Union, 2013:</p> <p><a href="https://ec.europa.eu/eurostat/web/products-manuals-and-guidelines/-/ks-gq-13-005">https://ec.europa.eu/eurostat/web/products-manuals-and-guidelines/-/ks-gq-13-005</a></p>
<b>VIII. LOCAL TAXES</b>			
<p><b>8.1.</b> The need to strengthen the managerial functions of the local self-government bodies; improvement of local taxes administration; strengthening the financial capability and development of local authorities.</p>			
Each stage's goal to be achieved to solve the problem		<p><b>Goal 1 (II):</b> Grant additional powers to local self-government bodies in the part of local taxes and duties administration</p> <p><b>Goal 2 (II):</b> Preparation of regulatory support for the introduction of real estate objects' estimated value for the aim of determining the tax base for imposing a tax on real estate other than a land plot</p> <p><b>Goal 3 (II):</b> Development of IT solutions for the system of real estate objects for taxation aims</p>	<p><b>Goal 4 (III):</b> Works on filling the registries regarding real estate objects' estimated value and verifying the authenticity of data possessed by control bodies</p> <p><b>Goal 5 (III):</b> Introduction of requirements for applying the tax on real estate, other than a land plot, based on the estimated value of the real estate object</p>



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
Deadline within the stage		<b>Goal 1 (II):</b> December 2023 <b>Goal 2 (II):</b> December 2025 <b>Goal 3 (II):</b> December 2025	<b>Goal 4 (III):</b> December 2026 <b>Goal 5 (III):</b> January 2027
Risks for achieving the goal		<b>Goals 1 (II), 2 (II):</b> Inconsistency of positions of public authorities and interested stakeholders. <b>Goal 3 (II):</b> Delay with the development of an appropriate IT solution Incomplete data of the State Register of Immovable Property Rights (data not transferred from the "old registers", which functioned until January 1, 2013)	<b>Goals 4 (III), 5 (III):</b> Lack (loss) of data to fill the registers on the appraised value of immovable property. Inconsistency of positions of public authorities and interested stakeholders on the audit of the completeness of these registers
Measurable indicator of goal achievement		<b>Goals 1 (II), 2 (II):</b> Amendments to the legislation of Ukraine have been developed and adopted Relevant secondary legislation has been developed and adopted to implement the approved amendments to the legislation of Ukraine <b>Goal 3 (II):</b> IT solutions developed and implemented following the legislation changes	<b>Goal 4 (II):</b> An audit of the reliability of the tax authorities' databases in terms of taxpayers and objects for taxation by the tax on real estate, other than a land plot <b>Goal 5 (II):</b> Requirements for taxation by the tax on real estate, other than a land plot, based on the appraised value of the real estate have come into force and applied by taxpayers and tax authorities
The total amount of financial resources required to achieve the goal		Additional calculations are required	Additional calculations are required



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
Proposed sources of financing		International technical assistance	International technical assistance.
Connection with other areas		WG "Justice", WG "Construction, urban planning, modernization of cities and regions"	WG "Justice", WG "Construction, urban planning, modernization of cities and regions"
International reports, standards, and regulations		X	X
The related sphere of EU law regulation		X	X
<b>IX. UNIFIED SOCIAL CONTRIBUTION</b>			
<b>9.1.</b> Insurers' public request on finding opportunities for lowering the burden on the wage fund with a simultaneous maintaining of financial system stability and ensuring adherence to state guarantees to the insured according to the current types of compulsory state social insurance (social guarantees in case of unemployment, accidents or professional injuries, retirement security and other payments).			
Each stage's goal to be achieved to solve the problem		<b>Goal 1 (II):</b> Carry out the analytical work on determining the optimal model of accrual and payment of insurance contributions <b>Goal 2 (II):</b> Introduction of legislative amendments based on the chosen model	
Deadline within the stage		<b>Goal 1 (II):</b> June 2023 <b>Goal 2 (II):</b> December 2023	
Risks for achieving the goal		<b>Goals 1 (II), 2 (II):</b> Inconsistency of positions of public authorities and interested stakeholders regarding the model Inconsistency of the model with the position of international partners	



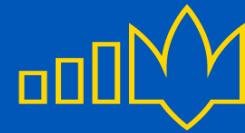
	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
Measurable indicator of goal achievement		<p><b>Goal 1 (II):</b> The model of accrual and payment of insurance premiums is developed and agreed upon with interested stakeholders</p> <p><b>Goal 2 (II):</b> Amendments to the legislation of Ukraine have been developed and adopted Relevant secondary legislation has been developed and adopted to implement the approved amendments to the legislation of Ukraine</p>	
The total amount of financial resources required to achieve the goal		Additional calculations are required	
Proposed sources of financing		To be clarified	
Connection with other areas		WG "Social Protection"	
International reports, standards, and regulations		X	
The related sphere of EU law regulation		X	
<b>X. ADMINISTRATION OF TAXES</b>			
<b>10.1.</b> The need for the application of up-to-date approaches to tax audits. Introduction of electronic documentary audits ("E-audit") for large taxpayers.			
Each stage's goal to be achieved to solve the problem	<p><b>Goal 1 (I):</b> Introduction of IT decisions for data processing of standard audit file (SAF-T UA) used for the aims of E-audit</p>	<p><b>Goal 1 (II):</b> Introduction of IT decisions for data processing of</p>	



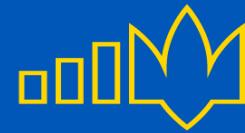
	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
		<p>standard audit file (SAF-T UA) used for the aims of E-audit</p> <p><b>Goal 2 (II):</b> Preparation and adoption of legislative amendments necessary for subsequent introduction of E-audit for large taxpayers</p>	
Deadline within the stage	December 2022	<p><b>Goal 1 (II):</b> June 2023</p> <p><b>Goal 2 (II):</b> December 2023</p>	
Risks for achieving the goal	Lack of funding	<p><b>Goal 1 (II):</b> Lack of funding</p> <p><b>Goal 2 (II):</b> Inconsistency of positions of public authorities and interested stakeholders</p>	
Measurable indicator of goal achievement	<p><b>Goal 1 (I):</b> Software required for processing SAF-T UA file is purchased</p> <p>Tests for data analysis of the SAF-T UA file have been developed</p>	<p><b>Goal 1 (II):</b> Implemented IT solutions for data processing of a standard audit file (SAF-T UA)</p> <p><b>Goal 2 (II):</b> Amendments to the legislation of Ukraine have been developed and adopted</p> <p>Relevant secondary legislation has been developed and adopted to implement the approved amendments to the legislation of Ukraine</p>	
The total amount of financial resources required to achieve the goal	300,000 Euros	Additional calculations are required	



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
Proposed sources of financing	International technical assistance	International technical assistance	
Connection with other areas	X	X	
International reports, standards, and regulations	OECD, Guidance for the Standard Audit File - Tax Version 2.0: <a href="https://www.oecd.org/tax/forum-on-tax-administration/publications-and-products/45045602.pdf">https://www.oecd.org/tax/forum-on-tax-administration/publications-and-products/45045602.pdf</a>	X	
The related sphere of EU law regulation	X	X	
<b>10.2. The need for ensuring online – communication between control bodies and taxpayers aimed at achieving accessibility and transparency</b>			
Each stage's goal to be achieved to solve the problem		<p><b>Goal 1 (II):</b> Preparation and adoption of legislative amendments necessary for providing the control bodies and taxpayers with the right of online communication during the conduction of the tax audits and consideration of taxpayers' objections, complaints, and other appeals</p> <p><b>Goal 2 (II):</b> Introduction of IT solutions for online communication between control authorities and taxpayers</p>	
Deadline within the stage		<p><b>Goal 1 (II):</b> January 2023</p> <p><b>Goal 2 (II):</b> December 2023</p>	
Risks for achieving the goal		<p><b>Goal 1 (II):</b> Inconsistency of positions of public authorities and interested stakeholders</p> <p><b>Goal 2 (II):</b> Lack of funding</p>	



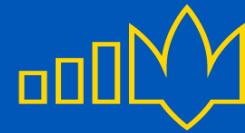
	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
Measurable indicator of goal achievement		<p><b>Goal 1 (II):</b> Amendments to the legislation of Ukraine have been developed and adopted</p> <p>Relevant secondary legislation has been developed and adopted to implement the approved amendments to the legislation of Ukraine</p> <p><b>Goal 2 (II):</b> Developed and implemented IT solutions following the legislation changes</p>	
The total amount of financial resources required to achieve the goal		Additional calculations are required	
Proposed sources of financing		International technical assistance	
Connection with other areas		WG "Digitalization"	
International reports, standards, and regulations		X	
The related sphere of EU law regulation		X	
<b>10.3.</b> Presence of problems with collection, storage, and analysis of data of payment transactions` registers and ensuring control over the execution of fiscal functions of the Register on payment transactions			
Each stage's goal to be achieved to solve the problem	<p><b>Goal 1 (I).</b> Audit of the use of information technologies at the Tax Service of Ukraine in part of the functioning of the data accounting system of payment transaction registers</p>	<p><b>Goal 2 (II):</b> Preparation of legislative amendments aimed at improving technologies for information transmitting from payment transaction registers to the Tax Service of Ukraine without the engagement of information</p>	



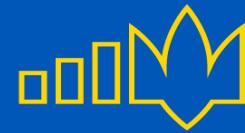
	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
	and elimination of identified shortcomings	acquirers and establishing requirements for payment transaction registers and the procedure for verification of the compliance with them <b>Goal3 (II):</b> The development (renewal) and introduction of IT solutions according to the introduced amendments	
Deadline within the stage	December 2022	<b>Goals 2 (II), 3 (II):</b> December 2023 - December 2025	
Risks for achieving the goal	Lack of funding	Lack of funding	
Measurable indicator of goal achievement	An audit of the information technology (IT audit) in the State Tax Service is conducted	<b>Goal 2 (II):</b> Amendments to the legislation of Ukraine have been developed and adopted Relevant secondary legislation has been developed and adopted to implement the approved amendments to the legislation of Ukraine <b>Goal 3 (II):</b> IT solutions developed and implemented following the legislation changes	
The total amount of financial resources required to achieve the goal	Additional calculations are required	Additional calculations are required	
Proposed sources of financing	To be clarified	The State Tax Service's budget, international technical assistance	
Connection with other areas	WG "Digitalization"	WG "Digitalization"	



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
International reports, standards, and regulations	X	X	
The related sphere of EU law regulation	X	X	
<b>10.4. The existence of illicit trade. The existence of unequal competitive conditions due to the necessity of adhering to the requirements of goods accounting for conscientious taxpayers.</b>			
Each stage's goal to be achieved to solve the problem		<b>Goal 1 (II):</b> Introduction of compulsory goods accounting for all taxpayers in any taxation system	
Deadline within the stage		December 2023	
Risks for achieving the goal		Inconsistency of positions of public authorities and interested stakeholders	
Measurable indicator of goal achievement		Amendments to the legislation of Ukraine have been developed and adopted  Relevant secondary legislation has been developed and adopted to implement the approved amendments to the legislation of Ukraine	
The total amount of financial resources required to achieve the goal		Does not require additional funding	
Proposed sources of financing		X	
Connection with other areas		X	
International reports, standards, and regulations		X	



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
The related sphere of EU law regulation		X	
<b>10.5. Presence of a great volume of tax privileges that influence the level of tax revenues; the absence of a unified approach to introducing tax privileges</b>			
Each stage's goal to be achieved to solve the problem		<b>Goal 1 (II):</b> Lowering the amount and scope of tax privileges and developing a unified approach for the State to their introduction and control	
Deadline within the stage		December 2023	
Risks for achieving the goal		Inconsistency of positions of public authorities and interested stakeholders	
Measurable indicator of goal achievement		Amendments to the legislation of Ukraine have been developed and adopted  Relevant secondary legislation has been developed and adopted to implement the approved amendments to the legislation of Ukraine	
The total amount of financial resources required to achieve the goal		Does not require additional funding	
Proposed sources of financing		X	
Connection with other areas		X	
International reports, standards, and regulations		X	
The related sphere of EU law regulation		X	



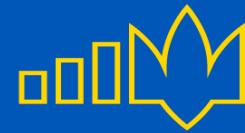
	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
<b>10.6.</b> A necessity for Ukraine to join the effective international system of automatic information exchange that will facilitate the fulfillment of the OECD recommendations and the need to improve the practice of international tax information exchange upon request and increase of transparency and reliability of Ukraine as a state-partner in information exchange			
Each stage's goal to be achieved to solve the problem	<b>Goal 1 (I):</b> Implementation of OECD international standards on transparency and information exchange for the aims of taxation	<b>Goal 2 (II):</b> Development of IT solutions for the introduction of automatic information exchange for tax purposes, as well as effective use of information	
Deadline within the stage	December 2022	December 2023	
Risks for achieving the goal	Lack of political support. Inconsistency of positions of public authorities and other interested stakeholders	Lack of funding to develop an appropriate IT solution Delay with the development of an appropriate IT solution in comparison to the specified deadlines for joining the automatic exchange of information Inconsistency of positions of public authorities and other interested stakeholders	
Measurable indicator of goal achievement	Amendments to the legislation of Ukraine have been developed and adopted Relevant secondary legislation has been developed and adopted to implement the approved amendments to the legislation of Ukraine	IT solutions developed and implemented following the legislation changes	
The total amount of financial resources required to achieve the goal	Does not require additional funding	Additional calculations are required	



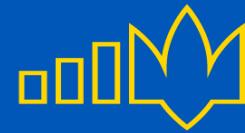
	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
Proposed sources of financing	X	The State Tax Service's budget, international technical assistance.	
Connection with other areas	WG "European Integration"	WG "European Integration"	
International reports, standards, and regulations	The standard for Automatic Exchange of Financial Account Information in Tax Matters: Implementation Handbook: <a href="https://www.oecd.org/tax/automatic-exchange/common-reporting-standard/">https://www.oecd.org/tax/automatic-exchange/common-reporting-standard/</a>	X	
The related sphere of EU law regulation	X	X	
<b>10.7. The need for the introduction of individual models aimed at restructuring the tax debt for private persons and small and medium businesses</b>			
Each stage's goal to be achieved to solve the problem	<b>Goal 1 (I):</b> Improvement of tax debt management and repayment system aimed at reducing the bureaucracy of the procedure and administrative costs for its repayment, ensuring the maximum automatization of the tax debt repayment processes	<b>Goal 2 (II):</b> Development and introduction of IT solutions for advanced tax debt management and repayment system	
Deadline within the stage	December 2022	December 2023	
Risks for achieving the goal	Inconsistency of positions of public authorities and other interested stakeholders	Lack of funding to develop an appropriate IT solution Delay with the development of an appropriate IT solution in comparison to the specified deadlines for joining the automatic exchange of information	
Measurable indicator of goal achievement	Amendments to the legislation of Ukraine have been developed and adopted	IT solutions developed and implemented following the legislation changes	



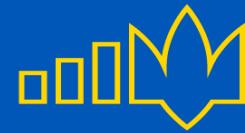
	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
	Relevant secondary legislation has been developed and adopted to implement the approved amendments to the legislation of Ukraine		
The total amount of financial resources required to achieve the goal	X	Additional calculations are required	
Proposed sources of financing	X	The State Tax Service's budget, international technical assistance	
Connection with other areas	WG "Justice", WG "Digitalization"	WG "Justice", WG "Digitalization"	
International reports, standards, and regulations	<p>OECD (2014). Working Smarter in Tax Debt Management:  <a href="https://www.oecd.org/ctp/working-smarter-in-tax-debt-management-9789264223257-en.htm">https://www.oecd.org/ctp/working-smarter-in-tax-debt-management-9789264223257-en.htm</a></p> <p>Debt Respite Scheme (Breathing Space) guidance for creditors 31 May 2022:  <a href="https://www.gov.uk/government/publications/debt-respite-scheme-breathing-space-guidance/debt-respite-scheme-breathing-space-guidance-for-creditors#contents">https://www.gov.uk/government/publications/debt-respite-scheme-breathing-space-guidance/debt-respite-scheme-breathing-space-guidance-for-creditors#contents</a></p> <p>OECD (2020). Tax Debt Management Network: Enhancing International Tax Debt Management:  <a href="https://www.oecd.org/tax/forum-on-tax-administration/publications-and-products/enhancing-international-tax-debt-management.pdf">https://www.oecd.org/tax/forum-on-tax-administration/publications-and-products/enhancing-international-tax-debt-management.pdf</a></p>	X	



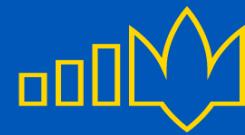
	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
	IOTA. Risk analysis in tax debt management: <a href="https://www.iota-tax.org/system/files/ag-dm-tt3_0.pdf">https://www.iota-tax.org/system/files/ag-dm-tt3_0.pdf</a>		
The related sphere of EU law regulation	An assessment of the performance of the Italian tax debt collection system: <a href="https://op.europa.eu/en/publication-detail/-/publication/f504d133-ae8d-400e-a37d-9bf6b56a492e/language-en">https://op.europa.eu/en/publication-detail/-/publication/f504d133-ae8d-400e-a37d-9bf6b56a492e/language-en</a>	X	
<b>XI. TAXATION OF CERTAIN SECTORS AND ACTIVITIES ACCORDING TO THE MEASURES OF THE RESTORATION PLAN</b>			
<p><b>11.1.</b> Inconsistency of separate provisions of the Tax Code of Ukraine with the terminology of basic legislation on capital markets and organized commodity markets, and absence of harmonization of the taxation system in the abovementioned sphere with the tax incentives of investing.</p>			
Each stage's goal to be achieved to solve the problem.	<p><b>Goal 1 (I):</b> Regulatory improvement of the taxation procedure of capital markets and organized commodity markets:</p> <ul style="list-style-type: none"> <li>- harmonization of the provisions of the Tax Code of Ukraine with the norms of special legislation regarding capital and organized commodity markets and legislation regarding the state regulation of financial services markets;</li> <li>- stimulating the development of personal investment in the capital market;</li> <li>- simplification of corporate profit tax implications.</li> </ul>	<p><b>Goal 2 (II):</b> Development of IT solutions for ensuring effective reporting by capital markets and commodity market actors.</p>	



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
Deadline within the stage	October 2022	October 2023	
Risks for achieving the goal	Lack of political support Inconsistency of positions of public authorities and other interested stakeholders	Lack of funding for the development of appropriate IT solutions Inconsistency of positions of public authorities and other interested stakeholders	
Measurable indicator of goal achievement	Amendments to the legislation of Ukraine have been developed and adopted Relevant secondary legislation has been developed and adopted to implement the approved amendments to the legislation of Ukraine	IT solutions developed and implemented following the legislation changes	
The total amount of financial resources required to achieve the goal	Does not require additional funding	Additional calculations are required	
Proposed sources of financing	X	To be clarified.	
Connection with other areas	WG "Functioning of the financial system, its reform" / RPG "Capital Market"	WG "Functioning of the financial system, its reform" / RPG "Capital Market"	
International reports, standards, and regulations	X	X	
The related sphere of EU law regulation	Taxation trends in the European Union. Data for the EU Member States, Iceland, Norway and United Kingdom, 2021 edition: <a href="https://op.europa.eu/en/publication-detail/-/publication/d5b94e4e-d4f1-11eb-895a-01aa75ed71a1/language-en">https://op.europa.eu/en/publication-detail/-/publication/d5b94e4e-d4f1-11eb-895a-01aa75ed71a1/language-en</a>	X	



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
	<p>Code of Conduct on Withholding Tax:  <a href="https://ec.europa.eu/taxation_customs/sites/taxation/files/code_of_conduct_on_withholding_tax.pdf">https://ec.europa.eu/taxation_customs/sites/taxation/files/code_of_conduct_on_withholding_tax.pdf</a></p> <p>Review of current practices for taxation of financial instruments, profits, and remuneration of the financial sector:  <a href="https://ec.europa.eu/taxation_customs/system/files/2016-09/taxation_paper_31_en.pdf">https://ec.europa.eu/taxation_customs/system/files/2016-09/taxation_paper_31_en.pdf</a></p>		
<b>11.2.</b> Lifting of tax barriers that cause unequal investment conditions at the insurance market and market of financial leasing either for consumers of non-banking financial services or for financial institutions.			
Each stage's goal to be achieved to solve the problem		<p><b>Goal 1 (II):</b> Improvement of the procedure of the insurance market and market of financial leasing taxation:</p> <ul style="list-style-type: none"> <li>- harmonization of taxation of transactions with financial instruments for both non-bank financial institutions and consumers of their services, including the elimination of double taxation of individuals' income;</li> <li>- stimulating the development of personal types of insurance;</li> <li>- increasing the attractiveness of financial leasing and stimulating the development of this financial instrument</li> </ul>	
Deadline within the stage		December 2023.	



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
Risks for achieving the goal		Inconsistency of positions of public authorities and other interested stakeholders	
Measurable indicator of goal achievement		<p>Amendments to the legislation of Ukraine have been developed and adopted</p> <p>Relevant secondary legislation has been developed and adopted to implement the approved amendments to the legislation of Ukraine</p>	
The total amount of financial resources required to achieve the goal		Does not require additional funding	
Proposed sources of financing		X	
Connection with other areas		WG "Functioning of the financial system, its reform" / RPG "Banking system and the market of non-banking services"	
International reports, standards, and regulations		X	
The related sphere of EU law regulation		X	
<b>11.3. Resolving issues of taxation of virtual asset transactions for the objectives of Law of Ukraine "On virtual assets"</b>			
Each stage's goal to be achieved to solve the problem			<p><b>Goal 1 (III):</b> Improvement of institutional requirements for the functioning of the virtual assets market:</p> <ul style="list-style-type: none"> <li>- establishing proper state regulation and supervision of the virtual assets</li> </ul>



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
			<p>market following international standards and EU legislation;</p> <ul style="list-style-type: none"> <li>- building an effective system of combating abuse in this market;</li> <li>- establishing rules for taxation of income received by participants and investors of the virtual assets market</li> </ul> <p><b>Goal 2 (III):</b> Development of IT solutions for ensuring effective reporting by virtual assets market participants</p>
Deadline within the stage			<p><b>Goal 1 (III):</b> January 2026</p> <p><b>Goal 2 (III):</b> January 2027</p>
Risks for achieving the goal			<p><b>Goal 1 (III):</b> Inconsistency of positions of public authorities and other interested stakeholders</p> <p><b>Goal 2 (III):</b> Lack of funding to develop appropriate IT solutions</p>
Measurable indicator of goal achievement			<p><b>Goal 1 (III):</b> Amendments to the legislation of Ukraine have been developed and adopted</p> <p>Relevant secondary legislation has been developed and adopted to implement the approved amendments to the legislation of Ukraine</p> <p><b>Goal 2 (III):</b></p>



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
			IT solutions developed and implemented following the legislation changes
The total amount of financial resources required to achieve the goal			Additional calculations are required
Proposed sources of financing			To be clarified
Connection with other areas			WG "Functioning of the financial system, its reform" / RPG "Capital market", RPG "Banking system and the market of non-banking services", WG "Digitalization"
International reports, standards, and regulations			FATF (2019), Guidance for a Risk-Based Approach Virtual Assets and Virtual Asset Service Providers, FATF, Paris: <a href="http://www.fatf-gafi.org/publications/fatfrecommendations/documents/Guidance-RBA-virtual-assets.html">www.fatf-gafi.org/publications/fatfrecommendations/documents/Guidance-RBA-virtual-assets.html</a>
The related sphere of EU law regulation			<u>Digital Finance Strategy for the EU</u> <u>Regulation on Markets in Crypto Assets' (MiCA)</u> <a href="https://www.consilium.europa.eu/en/press/press-releases/2021/11/24/digital-finance-package-council-reaches-agreement-on-mica-and-dora/">https://www.consilium.europa.eu/en/press/press-releases/2021/11/24/digital-finance-package-council-reaches-agreement-on-mica-and-dora/</a>
<b>11.4. The negative influence of the unresolved issues of patronage dividends taxation on the agricultural cooperation development.</b>			
Each stage's goal to be achieved to solve the problem		<b>Goal 1 (II):</b> Identification of the peculiarities of patronage dividends taxation at agricultural cooperatives.	



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
Deadline within the stage		December 2023	
Risks for achieving the goal		Inconsistency of positions of public authorities and interested stakeholders	
Measurable indicator of goal achievement		<p>Amendments to the legislation of Ukraine have been developed and adopted</p> <p>Relevant secondary legislation has been developed and adopted to implement the approved amendments to the legislation of Ukraine</p>	
The total amount of financial resources required to achieve the goal		Does not require additional funding	
Proposed sources of financing		X	
Connection with other areas		WG "New Agrarian Policy"	
International reports, standards, and regulations		X	
The related sphere of EU law regulation		X	
<b>11.5. Absence of full-fledged operation of accumulative mandatory pension insurance system in Ukraine and imperfection of non-governmental pension insurance system</b>			
Each stage's goal to be achieved to solve the problem		<b>Goal 1 (II):</b> Introduction of full-fledged operation of accumulative mandatory pension insurance system in Ukraine and improvement of non-governmental pension insurance	
Deadline within the stage		December 2023	



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
Risks for achieving the goal		<p>Inconsistency of positions of public authorities and interested stakeholders, lack of understanding of the need for appropriate legislative changes.</p> <p>Reduction of the working population, rising unemployment, and falling GDP will negatively affect the growth rate of average wages, which is the basis for sustainable growth of the funded pension system</p>	
Measurable indicator of goal achievement		<p>Amendments to the legislation of Ukraine have been developed and adopted</p> <p>Relevant secondary legislation has been developed and adopted to implement the approved amendments to the legislation of Ukraine</p>	
The total amount of financial resources required to achieve the goal		Does not require additional funding	
Proposed sources of financing		X	
Connection with other areas		WG "Functioning of the financial system, its reform" / RPG "Capital market", RPG "Banking system and the market of non-banking services"	
International reports, standards, and regulations		X	
The related sphere of EU law regulation		Directive (EU) № 2016/2341 of 14 December 2016 on the activities and	



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
		<p>supervision of occupational retirement provision institutions (IORPs):</p> <p><a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_2016.354.01.0037.01.ENG">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_2016.354.01.0037.01.ENG</a></p>	

## 2.2. The current stage of implementation of program documents

<b>Item of the plan</b>	<b>Name of the program document</b>	<b>Current status</b>
1.	<p><b>Program of the Cabinet of Ministers of Ukraine's activity, June 2020 (approved by the Resolution of the Cabinet of Ministers dated June 12, 2020, № 471):</b></p> <p><i>6.2. Effective tax system</i></p> <ul style="list-style-type: none"> <li>- Introduction of a “zero declaration” of income and assets to determine the zero-reference point to further introduce control over the compliance of the amounts of expenses incurred with the amount of income received.</li> <li>- Introduction of tax incentives for the investment of the profits of enterprises into their development.</li> <li>- Implementation of legislative changes to ensure taxpayers submit a single tax return for unified social contribution and personal income tax.</li> <li>- Implementation of legislative changes regarding the functioning of the Unified database of appraisal reports, the procedure for accessing, entering, and verifying information to/from the Unified database on a free basis, and the formation of electronic certificates on the appraised value of an immovable property.</li> <li>- Implementing legislative changes on electronic administration of excise tax on fuel and alcohol.</li> <li>- Implementing legislative changes regarding the introduction of software RRO and gradual “fiscalization” of business activities.</li> <li>- Revision of the environmental tax to increase its efficiency and reduce air pollution and the environment.</li> <li>- Effective implementation of the norms of the Tax Code of Ukraine on accelerated depreciation.</li> <li>- Improving the corporate tax system.</li> </ul>	Under implementation



Item of the plan	Name of the program document	Current status
	<ul style="list-style-type: none"> <li>- Settlement in the legislation of the issue of automated property valuation with the use of information and telecommunication system and the module of electronic determination of appraisal value.</li> <li>- Optimization of the organizational structure of the State Tax Service that is built on the functional principle. Restoration of the management vertical capable of performing the tasks attributed to the State Tax Service.</li> <li>- The introduction of tax incentives aimed to restore the economic activity of legal entities after the end of the quarantine established to prevent the spread of acute respiratory disease COVID-19 caused by the coronavirus SARS-CoV-2 in Ukraine.</li> <li>- Revision of the current international agreements of Ukraine on the avoidance of double taxation to prevent tax evasion of income and capital and to establish effective exchange of information.</li> <li>- Implementing FATCA legislation in terms of approving the algorithm of actions of the State Tax Service for the transmission of reports to the US Internal Revenue Service.</li> <li>- Introduction of legislative innovations to improve control over transfer pricing within the implementation of the BEPS action plan to increase the transparency of international transactions of legal entities.</li> </ul>	
2.	<p><b>Strategy for reforming the public financial management system for 2022-2025 (Order of the Cabinet of Ministers dated December 29, 2021, № 1805-r):</b></p> <p><i>Adherence to the general budget and tax discipline in the medium term</i></p> <p><i>The tax system</i></p> <p><i>Improving the efficiency of tax administration and the quality of service for taxpayers</i></p> <ul style="list-style-type: none"> <li>- Execution of the action plan for the implementation of conceptual areas of reforming the system of bodies implementing state tax policy.</li> <li>- Development of management strategy for compliance with tax discipline with the definition of segments of taxpayers and risks for each segment, development of approaches to risk reduction, and preparation of appropriate action plans.</li> <li>- Increasing the institutional capacity of the State Tax Service in terms of identifying and preventing threats of external and internal interference in the work of databases and information resources of the State Tax Service.</li> <li>- Introduction of electronic documentary audit ("e-audit") of large taxpayers.</li> <li>- Surveying the level of satisfaction of taxpayers with the services of the State Tax Service.</li> <li>- Further approximation of tax legislation to EU legislation.</li> <li>- Expansion of the tax base.</li> </ul>	Under implementation



Item of the plan	Name of the program document	Current status
	<ul style="list-style-type: none"> <li>- Improving the rules of control over transfer pricing within the framework of the Action Plan to counteract the base erosion and profit shifting (BEPS).</li> <li>- Ensuring the creation of conditions for Ukraine's accession to the multilateral agreement on the automatic exchange of financial information.</li> <li>- Ensuring the creation of conditions for Ukraine's accession to the multilateral agreement on the automatic exchange of country-by-country reports.</li> <li>- Creating conditions for optimizing the tax burden through the mechanism of avoiding double taxation.</li> <li>- Introduction of tax rules for a controlled foreign company.</li> <li>- Amendment of environmental taxation.</li> </ul> <p><i>Increasing the own financial resources of local governments</i></p> <ul style="list-style-type: none"> <li>- Carrying out the analysis of possible ways of change of approaches of personal income tax payment charged on employees' remuneration.</li> <li>- Establishing the exchange of information between local governments and tax authorities.</li> </ul>	
3.	<p><b>Strategy for digital development, digital transformations, and digitalization of the public financial management system until 2025 (Order dated November 17, 2021, № 1467-r):</b></p> <p><i>The tax system</i></p> <ul style="list-style-type: none"> <li>- Improvement of the information and telecommunication system "Tax block".</li> <li>- Improvement of the information system for collection, storage, use of data of registers on payment transactions and program registers on payment transactions, verification of the authenticity of documents, development of free software for registers on payment transactions, etc.</li> <li>- Introduction of a hardware and software complex for control, including the monitoring by the Ministry of Finance of the administration of databases and information resources by the State Tax Service and the State Customs Service.</li> </ul> <p><i>The expected results of achieving the strategic goal are:</i></p> <ul style="list-style-type: none"> <li>- ensuring an unbiased, risk-oriented approach to select taxpayers for audit, increasing the quality of audits, the level of transparency and consistency, use of a unified methodology, reducing time spent by tax officers and taxpayers, the operation of a single account for payment of taxes and duties, unified social contribution, other payments;</li> <li>- increasing the convenience and quality of service for taxpayers, reducing the time spent by taxpayers and tax officers by switching taxpayers to use online channels, reducing the number of errors during the filling of tax returns, and ensuring its integration with the Unified State Web Portal of electronic services and its mobile application;</li> </ul>	Under implementation



Item of the plan	Name of the program document	Current status
	<ul style="list-style-type: none"> <li>- increasing the effectiveness of control over compliance with the procedure for cash operations;</li> <li>- identification of risks before the audit, which will significantly speed up and simplify the data analysis procedure, reduce the time spent for the audit of both officials and taxpayers, reduce human intervention in the selection of risks for verification and in-depth research;</li> <li>- international exchange of financial information according to the standards of international exchange of financial information on financial accounts and reporting on transfer pricing to counteract the base erosion and profit shifting.</li> </ul>	

## 2.3. Determining tasks for achieving goals from subsection 2.1 (for every goal)

№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
<b>I. COMPLEX ISSUES</b>			
<p><b>1.1.</b> Presence of urgent issues related to the military aggression of the Russian Federation (aggressor-state) against Ukraine and circumstances of martial law arising from taxpayers regarding the application of current requirements of the Tax Code of Ukraine and legislation, control of compliance with which is supervised by the control authorities</p>			
<p><b>Goal 1 (I):</b> Settlement of the issues related to the military aggression of the Russian Federation (aggressor-state) against Ukraine and circumstances of martial law arising from taxpayers regarding the application of current requirements of the Tax Code of Ukraine and legislation, control of compliance with which is supervised by the control authorities. Resolution of particular technical problems, that has arisen in the administration of taxes and duties as a result of the martial law period introducing</p>			
Stage I: June 2022 – December 2022			
1.1, 2.1	Preparation of legislative changes necessary for regulating issues related to taxpayers regarding the application of current requirements of the Tax Code of Ukraine and legislation, control of compliance supervised by the control authorities	July 2022	
1.2, 2.2	Adoption of the developed legislative changes	September 2022	



No	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
1.2, 2.2	Development and amendment of secondary legislation	December 2022	
<b>1.2.</b> Presence of issues that must be resolved in tax periods accounting for the moment of termination or lifting of martial law, related to the application of current requirements of the Tax Code of Ukraine and legislation control of compliance supervised by the control authorities			
<b>Goal 1 (I or II):</b> Settlement of the issues that must be resolved in tax periods accounting for the moment of termination or cancellation of martial law period, related to the application of current requirements of the Tax Code of Ukraine and legislation control of compliance with which is supervised by the control authorities. Resolution of particular technical problems has arisen in the administration of taxes and duties after the termination or lifting of the martial law			
Stage I: June 2022– December 2022 or Stage II: January 2023 – December 2025			
1.1	Preparation of legislative changes necessary for regulating issues related to taxpayers regarding the application of current requirements of the Tax Code of Ukraine and legislation, control of compliance supervised by the control authorities	Two months after lifting the martial law	
1.2	Adoption of the developed legislative changes	One month after achieving task 1.1	
1.3	Development and amendment of secondary legislation	Two months after achieving task 1.2	
<b>1.3.</b> The inconsistency of Ukrainian legislation with the tax legislation of the European Union, the need for approximation due to granting Ukraine the EU candidate status			
<b>Goal 1 (II):</b> Development of recommendations on the order of processing of the EU Directives' provisions on accrual and payment of taxes and administration of taxes that are required to be implemented in the Ukrainian legislation			
<b>Goal 2 (II):</b> Development of provisions and proposals for the introduction of amendments to the Tax Code of Ukraine (other legislation of Ukraine if necessary) following the results of the previous stage			
<b>Goal 3 (III):</b> Preparation and adoption of legislative amendments necessary for the implementation of the EU Directives to the legislation of Ukraine			
<b>Goal 4 (III):</b> Development and introduction of the necessary IT solutions			
Stage I: June 2022 – December 2022			
1.1	Establish a working group to analyze the requirements of the EU Directives, which need to be implemented in the legislation of Ukraine on taxation and payment of taxes, tax	August 2022	WG "Eurointegration", WG "Finance system operation, its



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
	administration (with the involvement of international experts) at the Ministry of Finance of Ukraine – <b>National project</b>		transformation and development" / WG "Customs policy"
1.2	Developed "The Roadmap of harmonizing Ukrainian legislation with EU tax legislation"	December 2022	
Stage II: January 2023 – December 2025			
2.1	Implementation of further steps to assess the current state of implementation of the provisions of the Directives (working with international experts) according to the roadmap	January 2023 – December 2025	
2.2	Development of provisions and proposals for amendments to the Tax Code of Ukraine (other legislation of Ukraine if necessary) according to the previous stage's results	January 2023 – December 2025	
Stage III: January 2026 – December 2032			
3.1	Preparation and adoption of legislative amendments necessary for the implementation of the EU Directives to the legislation of Ukraine  Leading the decision-making process on amendments to the tax legislation and other legislation of Ukraine within the framework of the European integration process	December 2026	
3.2	Development and adoption of necessary draft normative-legal acts	June 2027	
3.3	Carry out promotional and explanatory activities for taxpayers and supervisory authority representatives on implementing changes	December 2027	
3.4	Evaluation of the effectiveness of the adopted legislative acts in the harmonization of tax legislation to determine the impact on public and tax relations and elimination or reduction of negative consequences of the adopted changes (analysis of the implementation of legal provisions and normative-legal acts, their interpretation, application of legislation by taxpayers, courts, lawyers and citizens)	December 2028	
4.1	Development and introduction of the necessary IT solutions	December 2027– December 2028	WG "Digitalization"



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
<b>1.4.</b> A request of taxpayers to determine and implement comprehensive qualitative transformations of the tax system in the postwar period			
<p><b>Goal 1 (I):</b> Development of the Concept of Transformation of the Tax System of Ukraine in the Post-War Period (with the Involvement of national and international experts – OECD, Global Forum on Transparency and Exchange of Information for Tax Purposes, IMF, EU)</p> <p><b>Goal 2 (II):</b> Clarification and harmonization of the Concept of transformation of the tax system of Ukraine in the post-war period</p> <p><b>Goal 3 (III):</b> Preparation and adoption of legislative changes provided by the Concept of Transformation of the Tax System of Ukraine</p> <p><b>Goal 4 (III):</b> Development and implementation of necessary IT solutions</p>			
Stage I: June 2022 – December 2022			
1.1	Continuation of the National Council of Restoration to work out the Concept of transformation of the tax system of Ukraine in the post-war period (with the involvement of national and international experts of <b>OECD, Global Forum on Transparency and Exchange of Information for Tax Purposes, IMF, EU</b> ) – <b>National project</b>	December 2022	WG "Finance system operation, its transformation and development" / WG "Customs policy", WG "Eurointegration", WG "Economic Recovery and Development", WG "Digitalization", WG "Social Policy", WG "New Agrarian Policy", other working groups
Stage II: January 2023 – December 2025			
2.1	Implementation of further steps to clarify the parameters of the Concept and its coordination with interested parties	Two months after termination or lifting the martial law	
3.1	Development of provisions and proposals for amendments to the Tax Code of Ukraine (other legislation of Ukraine if necessary) according to the results of the previous stage, support, and adoption of changes to the tax and other legislation provided by the Concept of the previous stage	Six months after termination or lifting the martial law	
3.3	Development and adoption of necessary draft normative-legal acts	In terms determined by changes	



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
4.1	Development and introduction of the necessary IT solutions	In terms determined by changes	
<b>II. VALUE-ADDED TAX PAYMENT</b>			
<p><b>2.1.</b> The inconsistency of legislation of Ukraine on value-added tax (VAT) with some of the provisions of Directive 2006/112/EU dated 28 November 2006 "On the common system of value-added tax"</p>			
<p><b>Goal 1 (I):</b> Identifying the provisions of the EU Directive 112 (Directive 2006/112/EU dated 28 November 2006 "On the common system of value-added tax") that are required to be implemented in the legislation of Ukraine on value-added tax (VAT) and other legislation (if necessary)</p>			
<p><b>Goal 2 (II):</b> Development of provisions and proposals for the introduction of amendments to the Tax Code of Ukraine (other legislation of Ukraine if necessary) following the results of the previous stage</p>			
<p><b>Goal 3 (III):</b> Development and introduction of the necessary IT solutions</p>			
Stage I: June 2022 – December 2022			
1.1	Definition of the provisions of Directive 112, as indicated in the conclusion of the European Commission, which requires priority implementation in the legislation of Ukraine on value-added tax	October 2022	WG "Eurointegration" WG "Finance system operation, its transformation and development" / WG "Customs policy", WG "Digitalization", WG "Energy Security", other working groups
1.2	Work with international experts on specific value-added tax administration issues identified as a priority for implementation	December 2022	
Stage II: January 2023 – December 2025			
2.1	Analysis of the impact of the implementation of certain provisions of Directive 112 on a budget of Ukraine	April 2023	
2.2	Definition of relevant articles of the Ukrainian legislation in the part of value-added tax, which need to be changed	April 2024	



Nº	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
2.3	Development of provisions and proposals for amendments to the Tax Code of Ukraine and Customs Code of Ukraine (other legislation of Ukraine if necessary). Leading the decision-making process on amendments to the tax and customs legislation within the framework of the European integration process	April 2025	WG "Eurointegration"
2.3	Development of necessary draft normative-legal acts to introduce changes on value-added tax	December 2025	
2.4	Carry out explanatory activities for taxpayers and supervisory authority representatives on introducing changes in VAT tax	December 2025	WG "Eurointegration", other working groups
Stage III: January 2026 – December 2032			
2.5	Evaluation of the effectiveness of the adopted legislative acts in the harmonization of tax legislation to determine the impact on public and tax relations and elimination or reduction of negative consequences of the adopted changes (analysis of the implementation of legal provisions and normative-legal acts, their interpretation, application of legislation by taxpayers, courts, lawyers and citizens)	December 2026	
3.1	Development and introduction of the necessary IT solutions	December 2026	WG "Digitalization"
<b>III. EXCISE DUTY</b>			
<p><b>3.1.</b> The need to perform the obligations under the Association Agreement between Ukraine and the EU (in the part of excise duty on fuel). A shortfall in revenues to the state budget. The necessity to ensure financing of special State Road Fund</p> <p><b>Goal 1 (I):</b> Removal of tax privileges (duty rate "0") for excise duty on fuel</p>			
Stage I: June 2022 – December 2022			
1.1	Detailed analysis of the impact of the fuel price in Ukraine on the increase of excise tax compared to European countries	September 2022	
1.2	Preparation and adoption of legislative changes necessary for the step-by-step increase of excise tax rates on fuel to the pre-war level and further to the minimum level in the EU	December 2022	



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
<p><b>3.2.</b> The necessity of implementing an Association Agreement between Ukraine and the EU (in the part of monitoring the movement of excise goods). Improvement of administration of the excise duty on fuel and ethyl alcohol</p>			
<p><b>Goal 1 (I):</b> Processing of the suggestion to improve the system of electronic administration of fuel and ethyl alcohol turnover (SEAFAT [in Ukrainian – "СЕАРПС"]).</p>			
<p><b>Goal 2 (II):</b> Preparation and negotiation with the Tax Service of Ukraine and business entities, the legislative amendments on reflection at the SEAFAT the data on the owners of fuel for further identification of fake operation (currently, the records are made using the places of storage and shipment).</p>			
<p><b>Goal 3 (III):</b> Renewing the IT solutions (systems) used by the Tax Service of Ukraine</p>			
<p>Stage I: June 2022– December 2022</p>			
1.1	Elaboration of proposals for improvement of SEAFAT	December 2022	
<p>Stage II: January 2023 – December 2025</p>			
2.1	Preparation and coordination of legislative changes on displaying fuel owners in SEARPS for detecting fictitious operations (at present, the record-keeping is carried out at the place of storage and shipment), discussing those changes with The State Tax Service and business and adopting legislative changes	April 2023	
2.2	Adoption of the developed legislative changes	June 2023	
2.3	Development and amendment of secondary legislation	Six months after achieving task 2.2	
3.1	Updating IT solutions (systems), which apply to The State Tax Service.	In terms determined by changes	
<p><b>3.3.</b> Pressure on business entities storing fuel for their purposes and removing the obstacles to exercise of their legal business activities</p>			
<p><b>Goal 1 (I):</b> Removing pressure on business entities storing fuel for their purposes and any obstacles to exercise of their legal business activities</p>			
<p>Stage I: June 2022 – December 2022</p>			
1.1	Preparation and adoption of legislative changes to improve the fuel storage procedure for the needs of own consumption or industrial processing	December 2022	
<p><b>3.4.</b> The need for approximation of Ukrainian legislation to the provisions of EU legislation on control over the tobacco turnover</p>			



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
<b>Goal 1 (I, II):</b> Regulatory control on the introduction of an electronic system of control over the tobacco circulation			
<b>Goal 2 (II):</b> Development of IT decisions to introduce an electronic system of control over the tobacco circulation			
Stage I: June 2022 – December 2022			
1.1	Development and coordination with interested parties (Ministry of Finance of Ukraine, Ministry of Digital Transformation, State Tax Service, and representatives of the area) draft legislative changes on the introduction of an electronic system of control over the tobacco circulation following the developed Concept of the introduction of electronic system of control over the circulation of tobacco products	December 2022	
Stage II: January 2023 – December 2025			
1.2	Further elaboration and adoption of legislative changes are necessary to introduce an electronic system of control over tobacco product circulation	December 2023	
1.2	Development and amendment of secondary legislation	June 2024	
2.1	Development of IT solutions of electronic system of control over tobacco products circulation	July 2024– June 2025	
2.1	Putting the system into use	December 2025	
<b>3.5.</b> The need for improvement of licensure for facilitating doing business and simplification of administration			
<b>Goal 1 (II):</b> Lifting the paper-based licenses. Application of general requirements to the procedure of licenses` issuance and cancellation on all types of activities with excise goods			
Stage II: January 2023 – December 2025			
1.1	Collection and analysis of proposals for improvement of licensing	June 2023	
1.2	Development and adoption of legislative changes on the improvement of licensing on providing the possibility of application both in paper and electronic form and eliminating the issuance of licenses in paper form	December 2023	
<b>3.6.</b> The need for regulation of consumption level of harmful to health food products in the way of excise duty introduction on them [tax on sugar-sweetened beverages]			



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
<b>Goal 1 (II):</b> Introduction of excise duty on sugar-sweetened beverages for decreasing consumption of sugar-sweetened beverages			
Stage II: January 2023 – December 2025			
1.1	Analysis of the experience of EU and OECD countries on the introduction of taxes on the consumption of food products harmful to health (tax on sugar-sweetened beverages, soda tax)	May 2023	WG "Eurointegration", other working groups
Stage II: January 2023 – December 2025			
1.2	Development of legislative changes on introducing excise tax on sugar-sweetened beverages, soda tax	October 2023	
1.3	Adoption of the developed legislative changes	January 2024 – February 2024	
1.4	Development and amendment of secondary legislation	Six months after achieving task 1.3	
<b>IV. CORPORATE PROFIT TAX</b>			
<b>4.1.</b> The need to implement provisions of OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations 2022 and BEPS Actions 7, 8-10 and 13 that have not been fully implemented			
<b>Goal 1 (I):</b> Improvement of transfer pricing rules considering the OECD Recommendations and international taxation experience			
Stage I: June 2022 – December 2022			
1.1	Development and adoption of legislative changes on the improvement of transfer pricing rules taking into account the OECD recommendations and international tax experience	December 2022	
1.2.	Development and amendment of secondary legislation	Six months after achieving task 1.2	
<b>4.2.</b> The need for developing incentives for reinvestment in capital expenditures for corporate profit tax taxpayers			
<b>Goal 1 (I):</b> The development of incentives for replacing outdated, worn-out, lost, and damaged manufacturing equipment through reinvestment			
Stage I: June 2022 – December 2022			



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
1.1	Development and adoption of legislative changes on incentives for renewal of outdated, worn-out, lost, and damaged production equipment through reinvestment	December 2022	
1.2.	Development and amendment of secondary legislation	Six months after achieving task 1.2	
<b>V. PERSONAL INCOME TAX</b>			
<p><b>5.1.</b> The existence of an imbalance in revenues of personal income tax (PIT) between local budgets</p> <p><b>Goal 1 (II):</b> Change PIT's allocation mechanism according to the European rules based on information on where the taxpayers reside and vote.</p> <p><b>Goal 2 (II):</b> The development of IT decisions for ensuring the PIT's allocation mechanism using the taxpayer's place of residence</p>			
Stage II: January 2023 – December 2025			
1.1	Collection of information on the place of residence of taxpayers (correspondence of the taxpayer's ID and place of residence)	June 2023	WG "Digitalization"
1.2	Modeling the impact of the change of the personal income tax crediting mechanism on local budgets and the system of horizontal alignment	September 2023	WG "Public Administration", WG "Infrastructure Restoration and Development", WG "Economic Recovery and Development", WG "Construction, urban planning, modernization of cities and regions"
1.3	Development and adoption of legislative changes concerning the mechanism of the payment of personal income tax at the taxpayer's place of residence	December 2023	
1.4.	Development and amendment of secondary legislation	Six months after achieving task 1.3	
2.1	Development and introduction of the necessary IT solutions to distribute personal income tax based on the new mechanism	June 2024	WG "Digitalization"
2.2	Introduction of a new mechanism of enrolling in personal income tax	January 2025	



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
<b>5.2.</b> The need to introduce incentive models for the taxation of individuals			
<b>Goal 1 (III):</b> The development of a legal base for the introduction of family-based taxation (household taxation) <b>Goal 2 (III):</b> The development of IT solution for ensuring the mechanism of family-based taxation			
Stage III: January 2026 – December 2032			
1.1	Analysis of the experience of EU and OECD countries on the introduction of family-based taxation (household taxation)	December 2024	WG "Eurointegration"
2.1	Development and introduction of IT solutions	January 2027	WG "Digitalization"
1.2	Elaboration of the draft Law of Ukraine "On amendments to the Tax Code of Ukraine concerning Family-based Taxation"	July 2023	
1.3.	Adoption of the developed legislative changes	January 2026	
1.4	Development and amendment of secondary legislation	Six months after achieving task 1.3.	
2.1	Development and introduction of IT solutions to ensure individuals can declare and pay their obligations within the framework of a family-based tax	January 2027	WG "Digitalization"
2.2	Improvement of information and telecommunication systems and other information resources of the State Tax Service on the provision of the possibility of registration of individuals within the limits of the family-based taxation and control them by the State Tax Service over the declaration and payment of personal income tax	January 2027	
<b>VI. RENT PAYMENT</b>			
<b>6.1.</b> The need for simplification of rent payment administration and the development of equal conditions of taxation for all the mobile communication operators			
<b>Goal 1 (II):</b> Lifting all the step-up and step-down ratios applied to the rent payment rates for using radio frequency resources for cellular communication with the simultaneous revision of rates			
Stage II: January 2023 – December 2025			



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
1.1	Development and adoption of legislative changes concerning the rejection of all increase and decrease factors applied to the rates of the rent payments for the use of radio frequency resources for cellular communication, with the simultaneous review of the size of such rates	December 2022	WG "Infrastructure Restoration", WG "Economic Recovery and Development"
<b>VII. ENVIRONMENT TAX</b>			
<p><b>7.1.</b> The need for transformation of the national system of environmental taxation's structure according to the EU classification standards</p> <p><b>Goal 1 (II):</b> To introduce an environmental taxation mechanism change regarding carbon dioxide emissions (CO<sup>2</sup>)</p> <p><b>Goal 2 (II):</b> To reconsider the environment tax rates for waste disposal using the "polluter pays more" principle</p> <p><b>Goal 3 (III):</b> To carry out analytical work necessary for the approximation of the current system of national environmental taxation to the EU tax system</p> <p><b>Goal 4 (III):</b> To harmonize the current system of national environmental taxation in Ukraine with the EU tax system</p>			
Stage I: June 2022 – December 2022			
1.1	Development and adoption of legislative changes necessary for the implementation of the "polluter pays more" principle	December 2022	
Stage II: January 2023 – December 2025			
2.1	Continue analytical work on the transition model from taxation of CO <sup>2</sup> emission to taxation of fossil fuels (oil, gas, coal, etc.), depending on the carbon content, at the production and/or import stage	June 2023	WG "Environmental Safety"
2.2	Development and adoption of legislative changes necessary for the introduction of changes in the mechanism of environmental taxation of carbon dioxide emissions	December 2023	
3.1	Carrying out analytical work on the systematization of taxes and duties following the Eurostat standards of environmental taxation, development of a "road map" for harmonization	December 2023	WG "Environmental Safety"
Stage III: January 2026 – December 2032			
4.1	Development and adoption of legislative changes necessary to harmonize the existing system of national environmental taxation in Ukraine with the EU tax system	December 2026	



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
4.2.	Development and amendment of secondary legislation	Within six months after completing the task 4.1	

## VIII. LOCAL TAXES

**8.1.** The need to strengthen the managerial functions of the local self-government bodies; improvement of local taxes administration; strengthening the financial capability and development of local authorities

**Goal 1 (II):** Grant additional powers to local self-government bodies in the part of local taxes and duties administration

**Goal 2 (II):** Preparation of regulatory support for the introduction of real estate objects` estimated value for the aim of determining the tax base for imposing a tax on real estate other than a land plot

**Goal 3 (II):** Development of IT decisions for the system of real estate objects for taxation aims

**Goal 4 (III):** Works on filling the registries regarding real estate objects` estimated value and verifying the authenticity of data possessed by control bodies

**Goal 5 (III):** Introduction of requirements for applying the tax on real estate, other than a land plot, based on the estimated value of the real estate object

Stage II: January 2023 – December 2025

1.1	Development and adoption of legislative changes necessary to provide additional powers to local self-governments in the administration of local taxes and duties (assistance in collection of local budgets and improving administration)	December 2023	
2.1	Development and adoption of legislative changes necessary for the introduction of the European experience of local taxation in the national tax system	December 2024	
2.2	Development and amendment of secondary legislation	Within six months after completing the task 2.1	
2.3	Development and adoption of methods and procedures for valuation of real estate for tax purposes (transition from the tax base depending on the area to the base depending on the value)	December 2025	
3.1	Development of IT solutions for real estate appraisal system for tax purposes	December 2025	
3.2.	Improvement of information and telecommunication systems and other information resources of the State Tax Service on the introduction of the appraised value of a real estate to determine the tax base for tax on real estate, other than land plot	December 2025	



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
Stage III: January 2026 – December 2032			
4.1	Auditing the accuracy of tax authorities' databases in terms of data on taxpayers and objects of the real estate tax to include data in the system of valuation of real estate for tax purposes and eliminate the inaccuracy or incompleteness of the data as a result of the audit	June 2026	
4.2	Filling of registers and testing of the assessment system of real estate objects for the taxation	December 2026	
5.1	Transition to a new model of taxation of the real estate tax, other than land plot, by establishing a tax base depending on the value of a real estate	January 2027	
<b>IX. UNIFIED SOCIAL CONTRIBUTION</b>			
<p><b>9.1.</b> Insurers' public request on finding opportunities for lowering the burden on the wage fund with a simultaneous maintaining of financial system stability and ensuring adherence to state guarantees to the insured according to the current types of compulsory state social insurance (social guarantees in case of unemployment, accidents or professional injuries, retirement security and other payments)</p>			
<p><b>Goal 1 (II):</b> Carry out the analytical work on determining the optimal model of accrual and payment of insurance contributions</p>			
<p><b>Goal 2 (II):</b> Introduction of legislative amendments based on the chosen model</p>			
Stage II: January 2023 – December 2025			
1.1	Carrying out a comprehensive analysis of the advantages and disadvantages of the current model of accrual and payment of the unified social contribution, taking into account the challenges of martial law and the economic situation in Ukraine and the world in the postwar period. Assessment of the current and optimal burden on the payroll	February 2023	
1.2	Development of possible concepts of the model. Calculating the possible implications for budgets and the economy as a result of the implementation of each concept	March 2023	
1.3	Discussion of model concepts with state and local authorities, international partners	June 2023	
2.1	Development and adoption of legislative changes necessary for the implementation of the agreed model	September 2023	



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
2.2	Development and adoption of secondary legislation	December 2023	
<b>X. ADMINISTRATION OF TAXES</b>			
<p><b>10.1.</b> The need for the application of up-to-date approaches to tax audits. Introduction of electronic documentary audits ("E-audit") for large taxpayers</p> <p><b>Goal 1 (I):</b> Introduction of IT decisions for data processing of standard audit file (SAF-T UA) used for the aims of E-audit</p> <p><b>Goal 2 (II):</b> Preparation and adoption of legislative amendments necessary for subsequent introduction of E-audit for large taxpayers</p>			
Stage I: June 2022 – December 2022			
1.1	Purchase SAF-T UA data processing software	December 2022	
1.2	Development of tests for data analysis of the SAF-T UA file	December 2022	
Stage II: January 2023 – December 2025			
1.3	Training of tax officers to work with SAF-T UA file data processing software	June 2023	
2.1	Preparation and adoption of legislative changes necessary for further implementation of e-audit under the approved Concept of the Ministry of Finance of Ukraine	December 2023	
<p><b>10.2.</b> The need for ensuring online – communication between control bodies and taxpayers aimed at achieving accessibility and transparency</p> <p><b>Goal 1 (II):</b> Preparation and adoption of legislative amendments necessary for providing the control bodies and taxpayers with the right of online communication during the conduction of the tax audits and consideration of taxpayers' objections, complaints, and other appeals</p> <p><b>Goal 2 (II):</b> Introduction of IT solutions for online communication between control authorities and taxpayers</p>			
Stage II: January 2023 – December 2025			
1.1	Development and adoption of the Law of Ukraine "On Amendments to the Tax Code of Ukraine" in regards to online communications	January 2023	
1.2.	Development and amendment of secondary legislation	Within six months after completing task 1.2	



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
2.1	Development or acquisition of IT solutions for online communication between tax authorities and taxpayers	December 2023.	WG "Digitalization"
<p><b>10.3.</b> Presence of problems with collection, storage, and analysis of data of payment transactions' registers and ensuring control over the execution of fiscal functions of the Register on payment transactions</p> <p><b>Goal 1 (I, II):</b> Audit of the use of information technologies at the Tax Service of Ukraine in part of the functioning of the data accounting system of payment transaction registers and elimination of identified shortcomings</p> <p><b>Goal 2 (II):</b> Preparation of legislative amendments aimed at improving technologies for information transmitting from payment transaction registers to the Tax Service of Ukraine without the engagement of information acquirers and establishing requirements for payment transaction registers and the procedure for verification of the compliance with them</p> <p><b>Goal 3 (III):</b> The development (renewal) and introduction of IT solutions according to the introduced amendments</p>			
Stage I: June 2022 – December 2022			
1.1	Conducting an audit of the information technology (IT audit) in the State Tax Service in terms of the work of SOD RRO and elimination of identified shortcomings	December 2022	
Stage II: January 2023 – December 2025			
2.1	<p>Preparation and adoption of amendments to the Law of Ukraine "On the use of register on payment transactions in the field of trade, catering, and services", necessary for:</p> <ul style="list-style-type: none"> <li>- improving the technology of information transfer from registers on payment transactions to the tax authority without involving information acquirers;</li> <li>- establishing requirements for program registers on payment transactions and the procedure for verifying their compliance</li> </ul>	December 2023 - December 2025	
3.1	Update of IT solutions (systems) used by the State Tax Service	In terms defined by changes	
<p><b>10.4.</b> The existence of illicit trade. The existence of unequal competitive conditions due to the necessity of adhering to the requirements of goods accounting for conscientious taxpayers</p> <p><b>Goal 1 (II):</b> Introduction of compulsory goods accounting for all taxpayers in any taxation system</p>			
Stage II: January 2023 – December 2025			



Nº	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
1.1	Preparation and adoption of legislative changes necessary to introduce a requirement for documentary proof of origin of goods for all taxpayers in any taxation system	December 2023	
<b>10.5.</b> Presence of a great volume of tax privileges that influence the level of tax revenues; the absence of a unified approach to introducing tax privileges			
<b>Goal 1 (II):</b> Lowering the amount and scope of tax privileges and developing a unified approach for the State to their introduction and control			
Stage II: January 2023 – December 2025			
1.1	Analysis of current tax privileges, cancelation of ineffective tax benefits	June 2023	
1.2	Preparation and adoption of legislative changes necessary to improve public policy in the field of granting and using tax benefits	December 2023	
<b>10.6.</b> A necessity for Ukraine to join the effective international system of automatic information exchange that will facilitate the fulfillment of the OECD recommendations and the need to improve the practice of international tax information exchange upon request and increase of transparency and reliability of Ukraine as a state-partner in information exchange			
<b>Goal 1 (I):</b> Implementation of OECD international standards on transparency and information exchange for the aims of taxation			
<b>Goal 2 (II):</b> Development of IT solutions for the introduction of automatic information exchange for tax purposes, as well as effective use of information			
Stage I: June 2022 – December 2022			
1.1	Preparation and adoption of legislative changes necessary for the implementation of the international standard for automatic exchange of information on financial accounts	December 2022	International experts
1.2.	Development and amendment of secondary legislation	Within six months after completing task 1.2	
Stage II: January 2023 – December 2025			
2.1	Development or acquisition of IT solutions for the introduction of automatic information exchange for tax purposes, as well as effective use of information	December 2023	WG "Digitalization"
2.2	Improvement of information and telecommunication systems and other information resources of the State Tax Service regarding the usage of tax information obtained in the framework of automatic information exchange	June 2024	



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
<b>10.7.</b> The need for the introduction of individual models aimed at restructuring the tax debt for private persons and small and medium businesses			
<p><b>Goal 1 (I):</b> Improvement of tax debt management and repayment system aimed at reducing the bureaucracy of the procedure and administrative costs for its repayment, ensuring the maximum automatization of the tax debt repayment processes</p> <p><b>Goal 2 (II):</b> Development and introduction of IT solutions for advanced tax debt management and repayment system</p>			
Stage I: June 2022 – December 2022			
1.1	Preparation and adoption of legislative changes necessary to improve the management and repayment of tax debt	December 2022	WG "Justice"
1.2.	Development and amendment of secondary legislation	Within six months after completing task 1.2	
Stage II: January 2023 – December 2025			
2.1	Development and implementation of IT solutions for an improved system of tax debt management and repayment	December 2023	
<b>XI. TAXATION OF CERTAIN SECTORS AND ACTIVITIES ACCORDING TO THE MEASURES OF THE RESTORATION PLAN</b>			
<p><b>11.1.</b> Inconsistency of separate provisions of the Tax Code of Ukraine with the terminology of basic legislation on capital markets and organized commodity markets, and absence of harmonization of the taxation system in the abovementioned sphere with the tax incentives of investing</p>			
<p><b>Goal 1 (I):</b> Regulatory improvement of the taxation procedure of capital markets and organized commodity markets</p>			
<p><b>Goal 2 (II):</b> Development of IT solutions for ensuring effective reporting by capital markets and commodity market actors</p>			
Stage I: June 2022 – December 2022			
1.1	Development and adoption of legislative changes necessary to improve the taxation of capital markets and organized commodity markets	October 2022	WG "Functioning of the financial system, its reform" / RPG "Capital market", RPG "Banking system and the market of non-banking services".



Nº	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
1.2.	Development and amendment of secondary legislation	Within six months after completing task 1.2	
Stage II: January 2023 – December 2025			
2.1	Development of IT solutions to ensure effective reporting by capital and commodity market participants	October 2023	
<b>11.2.</b> Lifting of tax barriers that cause unequal investment conditions at the insurance market and market of financial leasing either for consumers of non-banking financial services or for financial institutions			
<b>Goal 1 (II):</b> Improvement of the procedure of the insurance market and market of financial leasing taxation			
Stage II: January 2023 – December 2025			
1.1	Development and adoption of legislative changes necessary to regulate the taxation of the insurance market and the financial leasing market	December 2023	
1.2.	Development and amendment of secondary legislation	Within six months after completing task 1.2	
<b>11.3.</b> Resolving issues of taxation of virtual asset transactions for the objectives of Law of Ukraine "On virtual assets"			
<b>Goal 1 (III):</b> Improvement of institutional requirements for the functioning of the virtual assets market			
<b>Goal 2 (III):</b> Development of IT solutions for ensuring effective reporting by virtual assets market participants			
Stage III: January 2026 – December 2032			
1.1	Development and adoption of legislative changes necessary to regulate the requirements of tax legislation and improve the institutional requirements for the functioning of the virtual assets market	January 2026	WG "Functioning of the financial system, its reform" / RPG "Banking system and the market of non-banking services" / RPG "Capital markets"
1.2.	Development and amendment of secondary legislation	Within six months after completing task 1.2	

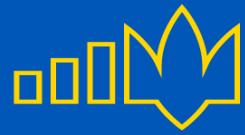


№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
2.1	Development of IT solutions to ensure effective reporting by virtual asset market participants	January 2027	
<b>11.4.</b> The negative influence of the unresolved issues of patronage dividends taxation on the agricultural cooperation development			
<b>Goal 1 (II):</b> Identification of the peculiarities of patronage dividends taxation at agricultural cooperatives			
Stage I: June 2022 – December 2022			
1.1	Preparation and adoption of legislative changes necessary for the implementation of the model of taxation of patronage dividends	December 2022	WG "New Agrarian Policy"
1.2.	Development and amendment of secondary legislation	Within six months after completing task 1.2	
<b>11.5.</b> Absence of full-fledged operation of accumulative mandatory pension insurance system in Ukraine and imperfection of non-governmental pension insurance system			
<b>Goal 1 (II):</b> Introduction of full-fledged operation of accumulative mandatory pension insurance system in Ukraine and improvement of non-governmental pension insurance			
Stage I: June 2022 – December 2022			
1.1	Preparation and adoption of legislative changes necessary to regulate the tax aspects of the functioning of private pension provision	September 2023	WG "Functioning of the financial system, its reform" / RPG "Banking system and the market of non-banking services" / RPG "Capital markets"
1.2	Development and adoption of secondary legislation	December 2023	



### 3. List of national projects corresponding with tasks under Section 2.3 (for the relevant task)

Project description to the task under Section 2.3	Project justification	Qualitative indicators of project implementation	Economic effect (impact on GDP, budget, employment, etc.)	Responsible authority	Required financing (million UAH)	Proposed sources of financing	Regulatory support	Related area of EU regulation (in general)
Development of an agreed concept for the transformation of the tax system of Ukraine in the postwar period <b>(solving problem 1.4)</b>	As part of the post-war recovery, Ukraine will face the issue of a significant tax system transformation, which will be associated not only with the need to take into account the peculiarities and trends of economic development in the period but to review the vectors of expenditures within public funding. <b>Such a discussion will require the involvement not only of national experts and representatives of the business association but</b>	Approval of an agreed <b>concept</b> transformation of Ukraine's tax system in the post-war period, which takes into account the requirements for Ukraine's integration into the EU and the world economy as a reliable tax jurisdiction, provides taxpayers with opportunities to fulfill their obligations and the state the opportunity to finance its obligations	Assessment is required	Verkhovna Rada Committee on Finance, Tax, and Customs Policy Ministry of Finance of Ukraine State Tax Service of Ukraine	Assessment is required	International technical assistance, IMF technical missions, OECD, Global Forum on Transparency and Exchange of Information for Tax Purposes	The Tax Code of Ukraine and other legislation, compliance with which is entrusted to the supervisory authorities.	The need should be considered. implementation in the legislation of Ukraine of the provisions of the EU Directives on the calculation and payment of taxes and tax administration (see section 7 "The main EU legislation in the field of taxation")



Project description to the task under Section 2.3	Project justification	Qualitative indicators of project implementation	Economic effect (impact on GDP, budget, employment, etc.)	Responsible authority	Required financing (million UAH)	Proposed sources of financing	Regulatory support	Related area of EU regulation (in general)
	<b>also taking into account the position of international Experts – OECD, Global Forum on Transparency and Exchange of Information for Tax Purposes, IMF, EU.</b>							
Formation of a recommendation on the sequence of elaboration of the provisions of the EU Directives, which require implementation in the legislation of Ukraine on accrual and payment of taxes, tax administration	Inconsistency of Ukrainian legislation with EU tax legislation, the need for harmonization in connection with the granting of EU candidate status for Ukraine.  A large amount of EU legislation needs to be implemented in case of limited resources and lack of knowledge of EU law	Development of a "road map" for harmonization of Ukrainian legislation with EU tax legislation with a justification of the most acceptable ways and sequence of adaptation	Assessment is required	Ministry of Finance of Ukraine  State Tax Service of Ukraine	Assessment is required	International technical assistance, IMF technical missions, OECD, Global Forum on Transparency and Exchange of Information	The Tax Code of Ukraine and other legislation, compliance with which is entrusted to the supervisory authorities.	EU Directives on the calculation and payment of taxes, tax administration (see section 7 "Basic EU legislation in the field of taxation")



Project description to the task under Section 2.3	Project justification	Qualitative indicators of project implementation	Economic effect (impact on GDP, budget, employment, etc.)	Responsible authority	Required financing (million UAH)	Proposed sources of financing	Regulatory support	Related area of EU regulation (in general)
<b>(solving problem 1.3)</b>	in Ukrainian state bodies					for Tax Purposes		
<b>Reconsideration of the procedures of tax debt administration (solving problem 10.7)</b>	Existing procedures are rather bureaucratic and do not provide an individual approach. Tax debt administration has a low level of automatization.	Development of the draft Law of Ukraine "On Amendments to the Tax Code of Ukraine and Other Laws of Ukraine on Improving the Procedure for Repayment of Tax Debt", which provides for improving the management and repayment of tax debt to reduce bureaucratization of the procedure and reduce administrative	Assessment is required	Committee of the Parliament of Ukraine on finances, tax, and customs policy Ministry of Finance of Ukraine, State Tax Service of Ukraine	Assessment is required	International technical assistance	Tax Code of Ukraine and other legislation, the control over the observance of which is entrusted to the tax authority.	Models of the tax legislation of other countries (including EU countries)



Project description to the task under Section 2.3	Project justification	Qualitative indicators of project implementation	Economic effect (impact on GDP, budget, employment, etc.)	Responsible authority	Required financing (million UAH)	Proposed sources of financing	Regulatory support	Related area of EU regulation (in general)
		costs, automation of processes accompanying the repayment of tax debt.						
Strengthening of the managerial powers of the local self-government authorities in part of local taxes administration (solving problem 8.1, goal 1)	The financial autonomy of local self-government bodies must be secured by the corresponding rights defining the procedures of administration and collection of local taxes and duties for meeting the needs of local development in their territory  Monitoring of local taxes and duties revenues confirms significant losses of local budgets due to non-payment of, in	Development of a draft law of Ukraine "On Amendments to the Tax Code of Ukraine and the Law of Ukraine "On Local Government" granting additional powers to local governments in the administration of local taxes and duties	Assessment is required	Committee of the Parliament of Ukraine on finances, tax, and customs policy  Committee of the Parliament of Ukraine on the organization of state power, local self-government, regional development, and urban planning  Ministry of Finance of Ukraine  Ministry of Justice of Ukraine  Ministry for Communities and Territories	Assessment is required	International technical assistance	Tax Code of Ukraine.	Models of the tax legislation of other countries (including EU countries)



Project description to the task under Section 2.3	Project justification	Qualitative indicators of project implementation	Economic effect (impact on GDP, budget, employment, etc.)	Responsible authority	Required financing (million UAH)	Proposed sources of financing	Regulatory support	Related area of EU regulation (in general)
	<p>particular, tax on real estate, other than a land plot, for the reasons of absence of information at the local self-government bodies and substandard control over taxes' payment.</p> <p>The main task that will solve the issue of transferring administrative functions to local governments is the timeliness of response to various factors that cause the non-fulfillment of budget revenues, including through tax evasion schemes</p>			<p>Development of Ukraine State Tax Service of Ukraine</p>				
Ensuring the legal and technical base for the	Many foreign countries consider market or estimated	Development and adoption of legislative changes	Assessment is required	Committee of the Parliament of Ukraine on finances, tax, and customs policy	Assessment is required	International technical assistance	Tax Code of Ukraine; legislation governing	Models of the tax legislation of other countries

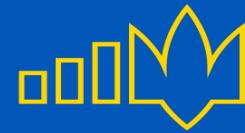


Project description to the task under Section 2.3	Project justification	Qualitative indicators of project implementation	Economic effect (impact on GDP, budget, employment, etc.)	Responsible authority	Required financing (million UAH)	Proposed sources of financing	Regulatory support	Related area of EU regulation (in general)
introduction of the estimated value of real estate objects for the aims of determining of the tax base for applying the tax on real estate other than a land plot <b>(solving problem 8.1, goal 2)</b>	value as a base for taxation. In Ukraine transition to the model of taxation of real estate objects other than a land plot using estimated value is impossible till the elimination of technical problems connected with the application of respective state registries containing information on real estate objects and rights to them, in particular regarding their fullness and the access of control bodies to them	necessary for introducing local taxation in the national tax system. Completion of works on filling in the registers and testing of the real estate appraisal system for tax purposes		Committee of the Parliament of Ukraine on the organization of state power, local self-government, regional development, and urban planning  Ministry of Finance of Ukraine  Ministry of Justice of Ukraine  Ministry for Communities and Territories  Development of Ukraine  State Tax Service of Ukraine			the operation of state registers containing information about real estate and property rights to them.	(including EU countries)



## 4. The necessity of legal amendments

No	Name of the regulatory act for the task from subsection 2.3	Content of development and changes to the regulatory act	State authority	Deadline for development	Deadline for entry into force
<b>I. COMPLEX ISSUES</b>					
<p><b>1.1.</b> Presence of urgent issues related to the military aggression of the Russian Federation (aggressor-state) against Ukraine and circumstances of martial law arising from taxpayers regarding the application of current requirements of the Tax Code of Ukraine and legislation, control of compliance with which is supervised by the control authorities.</p> <p><b>Goal 1 (I):</b> Settlement of the issues related to the military aggression of the Russian Federation (aggressor-state) against Ukraine and circumstances of martial law arising from taxpayers regarding the application of current requirements of the Tax Code of Ukraine and legislation, control of compliance with which is supervised by the control authorities. Resolution of particular technical problems has arisen in the administration of taxes and duties due to the introduction of martial law.</p>					
1.2	The Law of Ukraine "On amendments to the Tax Code of Ukraine and other laws of Ukraine"	<u>The propose of changes:</u> Providing regulation of urgent issues related to the military aggression of the Russian Federation (aggressor-state) against Ukraine and circumstances of martial law arising from taxpayers regarding the application of current requirements of the Tax Code of Ukraine and legislation, control of compliance with which is supervised by the control authorities (presented by experts involved by the National Council in the area "Finance system operation, its transformation and development"/"Tax policy")	Committee of the Parliament of Ukraine on finances, tax, and customs policy (development) Ministry of Finance of Ukraine (support), State Tax Service of Ukraine (support)	September 2022.	January 2023.
<p><b>1.2.</b> Presence of issues that must be resolved in tax periods accounting for the moment of termination or lifting of martial law, related to the application of current requirements of the Tax Code of Ukraine and legislation control of compliance supervised by the control authorities.</p> <p><b>Goal 1 (I or II):</b> Settlement of the issues that must be resolved in tax periods accounting for the moment of termination or cancellation of martial law period, related to the application of current requirements of the Tax Code of Ukraine and legislation control of compliance with which is supervised by the control authorities. Resolution of particular technical problems has arisen in the administration of taxes and duties after the termination or lifting of the martial law.</p>					
1.2	The Law of Ukraine "On amendments to the Tax Code of	<u>The propose of changes:</u>	Committee of the Parliament of	Within three months after the	From the first day of the



No	Name of the regulatory act for the task from subsection 2.3	Content of development and changes to the regulatory act	State authority	Deadline for development	Deadline for entry into force
	Ukraine and other laws of Ukraine"	Providing regulation of urgent issues related to the military aggression of the Russian Federation (aggressor-state) against Ukraine and circumstances of martial law arising from taxpayers regarding the application of current requirements of the Tax Code of Ukraine and legislation, control of compliance with which is supervised by the control authorities (presented by experts involved by the National Council in the area "Finance system operation, its transformation and development"/"Tax policy")	Ukraine on finances, tax, and customs policy (development) Ministry of Finance of Ukraine (support), State Tax Service of Ukraine (support)	termination of the martial law	year following the change
<b>1.3.</b> The inconsistency of Ukrainian legislation with the tax legislation of the European Union, the need for approximation due to granting Ukraine the EU candidate status					
<b>Goal 1 (II):</b> Development of recommendations on the order of processing of the EU Directives' provisions on accrual and payment of taxes and administration of taxes that are required to be implemented in the Ukrainian legislation.					
3.1	The Law of Ukraine "On amendments to the Tax Code of Ukraine and other laws of Ukraine"	<u>The propose of changes:</u> Implementing requirements of the EU directives on taxation and payment of taxes, tax administration in the legislation of Ukraine	Ministry of Finance of Ukraine (development, support), State Tax Service of Ukraine (support)	Within three months after the termination of the martial law	From the first day of the year following the change
<b>1.4.</b> A request of taxpayers to determine and implement comprehensive qualitative transformations of the tax system in the postwar period.					
<b>Goal 3 (II):</b> Preparation and adoption of legislative changes provided by the Concept of Transformation of the Tax System of Ukraine.					
3.1	The Law of Ukraine "On amendments to the Tax Code of Ukraine and other laws of Ukraine".	<u>The propose of changes:</u> Implementing changes in the legislation of Ukraine envisaged by the developed Concept of transformation of the tax system of Ukraine in the post-war period	Ministry of Finance of Ukraine (development, support), State Tax Service of Ukraine (support)	Six months after the termination of the martial law	According to the terms set out in the Concept



No	Name of the regulatory act for the task from subsection 2.3	Content of development and changes to the regulatory act	State authority	Deadline for development	Deadline for entry into force
<b>II. VALUE-ADDED TAX PAYMENT</b>					
<p><b>2.1.</b> The inconsistency of legislation of Ukraine on value-added tax (VAT) with some of the provisions of Directive 2006/112/EU dated 28 November 2006 "On the common system of value-added tax"</p> <p><b>Goal 2 (II):</b> Development of provisions and proposals for the introduction of amendments to the Tax Code of Ukraine (other legislation of Ukraine if necessary) following the results of the previous stage</p>					
2.3	The Law of Ukraine "On amendments to the Tax Code of Ukraine and other laws of Ukraine"	<u>The propose of changes:</u> Bringing the provisions of the Tax Code of Ukraine to conform with the provisions of the EU tax legislation	Ministry of Finance of Ukraine (development, support), State Tax Service of Ukraine (support)	April 2026	December 2026
2.3	The Law of Ukraine "On amendments to the Customs Code of Ukraine"	<u>The propose of changes:</u> Bringing the provisions of the Customs Code of Ukraine to conform with the provisions of the EU tax legislation (regulation issues related to the movement goods across borders)	Ministry of Finance of Ukraine (development, support), State Customs Service of Ukraine (support)	April 2026	December 2026
<b>III. EXCISE DUTY</b>					
<p><b>3.1.</b> The need to perform the obligations under the Association Agreement between Ukraine and the EU (in the part of excise duty on fuel). A shortfall in revenues to the state budget. The necessity to ensure financing of special State Road Fund</p> <p><b>Goal 1 (I):</b> Removal of tax privileges (duty rate "0") for excise duty on fuel</p>					
1.2	The Law of Ukraine "On amendments to the Tax Code of Ukraine and other laws of Ukraine concerning the administration of excise tax"	<u>The propose of changes:</u> Increasing excise duty rates on fuel to their pre-war levels, and after that – to the minimal EU rates	Ministry of Finance of Ukraine, (development), State Tax Service of Ukraine (support)	December 2022	January 2023



No	Name of the regulatory act for the task from subsection 2.3	Content of development and changes to the regulatory act	State authority	Deadline for development	Deadline for entry into force
<b>3.2.</b> The necessity of implementing an Association Agreement between Ukraine and the EU (in the part of monitoring the movement of excise goods). Improvement of administration of the excise duty on fuel and ethyl alcohol					
<b>Goal 2 (II):</b> Preparation and negotiation with the Tax Service of Ukraine and business entities, the legislative amendments on reflection at the SEAFAT the data on the owners of fuel for further identification of fake operation (currently, the records are made using the places of storage and shipment).					
2.2	The Law of Ukraine "On amendments to the Tax Code of Ukraine and other laws of Ukraine concerning the improvement of the system of electronic administration of realization of fuel and ethanol spirit"	<u>The propose of changes:</u> Providing regulations on proper reflection in SEAFAT [in Ukrainian – "CEAPIC"] owners of fuel for detecting fictitious operations	Ministry of Finance of Ukraine (development, support), State Tax Service of Ukraine (support)	January 2023	July 2023
<b>3.3.</b> Pressure on business entities storing fuel for their purposes and removing the obstacles to exercise of their legal business activities					
<b>Goal 1 (I):</b> Removing pressure on business entities storing fuel for their purposes and any obstacles to exercise of their legal business activities.					
1.1	The Law of Ukraine "On amendments to the Tax Code of Ukraine" and to the Law of Ukraine "On state regulation of production and circulation of alcohol ethyl, cognac, and fruit, alcoholic beverages tobacco products, liquids, used in electronic cigarettes and fuel" regarding improvement of the storage of fuel for the needs of own consumption or industrial processing"".	<u>The propose of changes:</u> Providing regulation of licensing requirements for fuel storage sites for the subjects who use it for their consumption (reduction of responsibility for violations, accepted for the first time)	Ministry of Finance of Ukraine, (development, support), State Tax Service of Ukraine (support)	July 2022	December 2022
<b>3.4.</b> The need for approximation of Ukrainian legislation to the provisions of EU legislation on control over the tobacco turnover					



No	Name of the regulatory act for the task from subsection 2.3	Content of development and changes to the regulatory act	State authority	Deadline for development	Deadline for entry into force
<b>Goal 1 (I, II):</b> Regulatory control on introducing an electronic system of control over the tobacco circulation.					
1.2	The Law of Ukraine "On amendments to the Tax Code of Ukraine and other laws on introducing the automated system of control over the circulation of tobacco products based on a unique identification, which is applied to the package of tobacco products".	<u>The propose of changes:</u> Providing clarification of the definition of the term "tobacco products" Improving regulation of tobacco production and circulation, reduction of illegal production, and prevention or minimization of excise tax payments Implementing provisions required for an automated control system for tobacco product circulation	Ministry of Finance of Ukraine, (development, support), State Tax Service of Ukraine (support)	June 2023	January 2024
<b>3.5.</b> The need for improvement of licensure for facilitating doing business and simplification of administration					
<b>Goal 1 (II):</b> Lifting the paper-based licenses. Application of general requirements to the procedure of licenses' issuance and cancellation on all types of activities with excise goods.					
1.2	The Law of Ukraine "On amendments to the Law of Ukraine "On state regulation of production and circulation of alcohol ethyl, cognac, and fruit, alcohol beverages, tobacco products, liquids, used in electronic cigarettes and fuel"".	<u>The propose of changes:</u> Imposing the application of general requirements to the procedure of issuing and annulling licenses for all types of activity with excisable goods, including the submission of applications in electronic form Implementing provisions on lifting the paper-based licenses	Ministry of Finance of Ukraine, (development, support), State Tax Service of Ukraine (support)	June 2023	December 2023
<b>3.6.</b> The need for regulation of consumption level of harmful to health food products in the way of excise duty introduction on them [tax on sugar-sweetened beverages]					
<b>Goal 1 (II):</b> Introduction of excise duty on sugar-sweetened beverages for decreasing consumption of sugar-sweetened beverages					
1.2	The Law of Ukraine "On amendments to the Tax Code of Ukraine and other laws concerning the introduction of	<u>The propose of changes:</u> Determining mandatory tax elements:	Committee of the Parliament of Ukraine on finances, tax, and customs		



No	Name of the regulatory act for the task from subsection 2.3	Content of development and changes to the regulatory act	State authority	Deadline for development	Deadline for entry into force
	"taxes on the consumption of health-damaging food products"	<ul style="list-style-type: none"> <li>- taxpayers are producers and importers of the respective categories of goods;</li> <li>- types and technical characteristics of goods, such as tax object (for example, sweet drinks with the addition of monosaccharides, disaccharides, or food products containing these substances, as well as sweeteners, etc.);</li> <li>- the list of goods exempted from taxation – goods that place sugar and its analogs at the minimum and below the minimum level, 100% fruit juices (i.e., without sugar); products in which milk or dairy products are mentioned first in the list of ingredients, etc.</li> </ul> <p>Establishing the procedure of tax administration Imposing amendments to other laws on identifying and labeling sugar-containing products and their substitutes (if necessary)</p>	policy (development), Ministry of Health (support), Ministry of Economy of Ukraine (support), Ministry of Finance of Ukraine (support), State Tax Service of Ukraine (support)		

## IV. CORPORATE PROFIT TAX

**4.1.** The need to implement provisions of OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations 2022 and BEPS Actions 7, 8-10 and 13 that have not been fully implemented

**Goal 1 (I):** Improvement of transfer pricing rules considering the OECD Recommendations and international taxation experience

1.1	The Law of Ukraine "On amendments to the Tax Code of Ukraine concerning the further improvement of transfer pricing rules and procedures for mutual agreement on international taxation issues"	<u>The propose of changes:</u> Reconsidering the cost criteria for recognition of transactions with related non-residents and non-residents from low-tax jurisdictions and separate organizational and legal forms controlled; Improving the mechanism of formation of the list of states (territories) and the list of organizational and	Ministry of Finance of Ukraine, (development, support), State Tax Service of Ukraine (support)	December 2022	January 2023
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No	Name of the regulatory act for the task from subsection 2.3	Content of development and changes to the regulatory act	State authority	Deadline for development	Deadline for entry into force
		<p>legal forms of non-residents for purposes of transfer pricing;</p> <p>Introducing simplified documentation on transfer pricing in specific cases;</p> <p>Clarifying the rules of transfer pricing adjustments, as provided in Article 140, paragraph 140.5 of the Tax Code of Ukraine</p>			

#### 4.2. The need for developing incentives for reinvestment in capital expenditures for corporate profit tax taxpayers

**Goal 1 (I):** The development of incentives for replacing outdated, worn-out, lost, and damaged manufacturing equipment through reinvestment

1.1	The Law of Ukraine "On amendments to the Tax Code of Ukraine on the creation of incentives for reinvestment in capital expenditures"	<u>The propose of changes:</u> <p>Introduction of the tax exemption for corporate profit tax on the amount of the tax charged to the payment of the corporate profit tax, which is spent for the purchase of new production fixed assets (equipment) for replacement of worn and/or obsolete, lost and/or damaged due to the warfare</p> <p><i>[Such legislative changes may provide for a reduction in the amount of corporate profit tax accrued for the respective tax (reporting) period for the amount of expenses, incurred in such periods, which are associated with the implementation of measures to replace (renew) taxpayer's fixed assets]</i></p>	Ministry of Finance of Ukraine, (development, support), State Tax Service of Ukraine (support)	December 2022	January 2023
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## V. PERSONAL INCOME TAX

#### 5.1. The existence of an imbalance in revenues of personal income tax (PIT) between local budgets

**Goal 1 (II):** Change PIT's allocation mechanism according to the European rules based on information on where the taxpayers reside and vote

1.1	The Law of Ukraine "On the deduction of a part of the	<u>The propose of changes:</u>	Committee of the Parliament of	December 2023	January 2024
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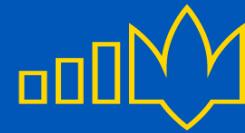


No	Name of the regulatory act for the task from subsection 2.3	Content of development and changes to the regulatory act	State authority	Deadline for development	Deadline for entry into force
	proceeds from personal income tax to the budgets of local communities" (№ 4029 dated 2 September 2020, № 4062 dated 7 September 2020, № 4115 dated 17 September 2020, № 4369 dated 12 November 2020, № 5244 dated 15. March 2021 № 5244-1 dated 30 March 2021, № 5244-2 dated 30 March 2021, № 5244-3 dated 30 March 2021, № 5281 dated 19 March 2021, № 5282 dated 19 March 2021, № 5364-1 dated 21 April 2021)	Establishing a mechanism for the transfer of a part of the PIF to local budgets at the place of residence of the taxpayer	Ukraine on finances, tax, and customs policy (development), Ministry of Finance of Ukraine (support), State Tax Service of Ukraine (support)		

## 5.2. The need to introduce incentive models for the taxation of individuals

### Goal 1 (III): The development of a legal base for the introduction of family-based taxation (household taxation)

1.1	The Law of Ukraine "On amendments to the Tax Code of Ukraine concerning family-based taxation".	<u>The propose of changes:</u> Determining the procedure of declaring tax obligations by natural persons within the framework of common tax reporting (family-based taxation) Increasing the volume of the tax credit by means of providing possibilities for tax deductions for expenses on dependent persons Establishing the procedure for payment of PIT and repayment of the tax debt in case of persons choosing the possibility of submitting joint tax reports	Committee of the Parliament of Ukraine on finances, tax, and customs policy (development), Ministry of Finance of Ukraine (support), State Tax Service of Ukraine (support)		
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No	Name of the regulatory act for the task from subsection 2.3	Content of development and changes to the regulatory act	State authority	Deadline for development	Deadline for entry into force
		Determining the procedure of application of the tax credit.			

## VI. RENT PAYMENT

**6.1.** The need for simplification of rent payment administration and the development of equal conditions of taxation for all the mobile communication operators.

**Goal 1 (II):** Lifting all the step-up and step-down ratios applied to the rent payment rates for using radio frequency resources for cellular communication with the simultaneous revision of rates.

1.1	Law of Ukraine "On amendments to the Tax Code of Ukraine concerning the regulation of charges and payment of rent for the use of radio frequency spectrum in Ukraine"	<u>The propose of changes:</u> Determining in the Tax Code of Ukraine the method of rent calculation for the use of radio frequency spectrum and procedure of its calculation and payment following the principles stipulated in the Law of Ukraine "on Electronic Communications"	Ministry of Finance of Ukraine (development, support), State Tax Service of Ukraine (support)	December 2022	January 2023
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## VII. ECOLOGICAL TAX

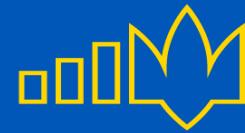
**7.1.** The need for transformation of the national system of environmental taxation's structure according to the EU classification standards

**Goal 1 (II):** To introduce an environmental taxation mechanism change regarding carbon dioxide emissions (CO<sup>2</sup>)

**Goal 2 (II):** To reconsider the environment tax rates for waste disposal using the "polluter pays more" principle

**Goal 4 (III):** To harmonize the current system of national environmental taxation in Ukraine with the EU tax system

1.1	Law of Ukraine "On amendments to the Tax Code of Ukraine concerning the collection of the ecological tax in waste management" (№ 6345 dated 24 November 2021)	<u>The propose of changes:</u> Increasing tax rates for the placement of extremely hazardous waste equipment and devices containing mercury, elements with ionizing radiation to 2,596.41 UAH per unit, fluorescent lamps to 166.18 UAH per unit; an increase of tax rates for waste disposal, which are set depending on the hazard class and level of hazard of waste	Ministry of Finance of Ukraine (development, support), State Tax Service of Ukraine (support)	December 2022	January 2023
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No	Name of the regulatory act for the task from subsection 2.3	Content of development and changes to the regulatory act	State authority	Deadline for development	Deadline for entry into force
		Imposing gradual increase of tax rates for disposal of certain types of waste (within nine years) increase of tax rate for disposal of household waste, taking into account that due to the implementation of EU Directives in Ukraine, it is planned to introduce financial support for waste disposal and works after the closure of waste sites. [Relevant costs will be taken into account in the waste disposal tariff]			
2.2	Law of Ukraine "On amendments to the Tax Code of Ukraine on reforming the ecological tax for carbon dioxide emissions into the atmospheric air"	<u>The propose of changes:</u> Implementing provisions on the transition from taxation of CO <sub>2</sub> emissions to taxation of fossil fuels (oil, gas, coal, etc.), depending on the carbon content, at the production and/or import stage	Ministry of Finance of Ukraine (development, support), State Tax Service of Ukraine (support)	December 2023	January 2024
4.1	Law of Ukraine "On amendments to the Tax Code of Ukraine"	<u>The propose of changes:</u> Implementing provisions on the harmonization of the environmental taxation system in Ukraine with the EU tax system	Ministry of Finance of Ukraine (development, support), State Tax Service of Ukraine (support)	December 2026	January 2027

## VIII. LOCAL TAXES

**8.1.** The need to strengthen the managerial functions of the local self-government bodies; improvement of local taxes administration; strengthening the financial capability and development of local authorities

**Goal 1 (II):** Grant additional powers to local self-government bodies in the part of local taxes and duties administration

**Goal 2 (II):** Preparation of regulatory support for the introduction of real estate objects' estimated value for the aim of determining the tax base for imposing a tax on real estate other than a land plot

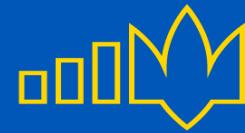
1.2	Law of Ukraine "On amendments to the Tax Code of	<u>The propose of changes:</u>	Ministry of Finance of Ukraine	December 2023	January 2024
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No	Name of the regulatory act for the task from subsection 2.3	Content of development and changes to the regulatory act	State authority	Deadline for development	Deadline for entry into force
	Ukraine and the Law of Ukraine "On local self-government" to grant additional powers to local self-government bodies in the administration of local taxes and duties"	Granting additional powers to local self-government in terms of administration of local taxes and duties.	(development, support), State Tax Service of Ukraine (support)		
2.1	Law of Ukraine "On amendments to the Tax Code of Ukraine on the reform of local taxes and duties in part of the tax on real estate other than the land"	<u>The propose of changes:</u> Introducing the appraised value of a real estate to determine the tax base for real estate other than land Resolving the issue of eliminating legal discrimination regarding joint ownership <i>[Currently, the Tax Code of Ukraine provides an incentive to owners in the form of a minimum tax-free area. At the same time, the Register of property rights consists of data only on the title owner for joint ownership]</i>	Verkhovna Rada Committee on Finance, Tax and Customs Policy (development), Ministry of Finance of Ukraine (support), State Tax Service of Ukraine (support)	December 2024	January 2027
<b>IX. UNIFIED SOCIAL CONTRIBUTION</b>					
<b>9.1.</b> Insurers' public request on finding opportunities for lowering the burden on the wage fund with a simultaneous maintaining of financial system stability and ensuring adherence to state guarantees to the insured according to the current types of compulsory state social insurance (social guarantees in case of unemployment, accidents or professional injuries, retirement security and other payments).					
<b>Goal 2 (II):</b> Introduction of legislative amendments based on the chosen model.					
2.2	Law of Ukraine "On amendments to the Tax Code of Ukraine and other legislative acts to reduce the burden on the payroll". Law of Ukraine "On amendments to the Budget"	<u>The propose of changes:</u> Implementing an agreed model accrual and payment by insurers and (possibly) insured persons of insurance contributions to the system of compulsory state social insurance	Verkhovna Rada Committee on Finance, Tax and Customs Policy (development), Ministry of Finance of Ukraine (support),	December 2023	January 2024



No	Name of the regulatory act for the task from subsection 2.3	Content of development and changes to the regulatory act	State authority	Deadline for development	Deadline for entry into force
	Code of Ukraine in connection with the adoption of the law on reducing the tax burden on the payroll" (possible)		State Tax Service of Ukraine (support)		
<b>X. ADMINISTRATION OF TAXES</b>					
<b>10.1.</b> The need for the application of up-to-date approaches to tax audits. Introduction of electronic documentary audits ("E-audit") for large taxpayers.					
<b>Goal 2 (II):</b> Preparation and adoption of legislative amendments necessary for subsequent introduction of E-audit for large taxpayers.					
2.1	Law of Ukraine "On amendments to the Tax Code of Ukraine concerning the implementation of electronic audits (e-Audit)" (№ 6255 dated 2 November 2021) and the Law of Ukraine "On amendments to article 9 of the Law of Ukraine "On accounting and financial reporting in Ukraine" (№ 6256 dated 2 November 2021)	<u>The propose of changes:</u> Imposing obligatory submission of SAF-T file by taxpayers to the tax authorities within 60 calendar days following the last calendar day of the reporting (tax) year <i>[This obligation arises for large taxpayers from 1 January 2025 and for VAT payers from 1 January 2027]</i>	Ministry of Finance of Ukraine (support), State Tax Service of Ukraine (support)	June 2023	January 2025 (January 2027)
<b>10.2.</b> The need for ensuring online – communication between control bodies and taxpayers aimed at achieving accessibility and transparency.					
<b>Goal 1 (II):</b> Preparation and adoption of legislative amendments necessary for providing the control bodies and taxpayers with the right of online communication during the conduction of the tax audits and consideration of taxpayers' objections, complaints, and other appeals.					
<b>Goal 2 (II):</b> Introduction of IT solutions for online communication between control authorities and taxpayers.					
1.1.	Law of Ukraine "On amendments to the Tax Code of Ukraine on online communications"	<u>The propose of changes:</u> Granting a right for taxpayers to consider their objections and complaints and other applications through online communication	Verkhovna Rada Committee on Finance, Tax and Customs Policy (development), Ministry of Finance	January 2023	January 2024



No	Name of the regulatory act for the task from subsection 2.3	Content of development and changes to the regulatory act	State authority	Deadline for development	Deadline for entry into force
		Providing the tax authorities with the opportunity to conduct an online survey of taxpayers on issues arising during tax control measures and provide them with explanations in the process of conducting documentary audits (including remote)	of Ukraine (support), State Tax Service of Ukraine (support)		
<b>10.3.</b> Presence of problems with collection, storage, and analysis of data of payment transactions' registers and ensuring control over the execution of fiscal functions of the Register on payment transactions					
<b>Goal 2 (II):</b> Preparation of legislative amendments aimed at improving technologies for information transmitting from payment transaction registers to the Tax Service of Ukraine without the engagement of information acquirers and establishing requirements for payment transaction registers and the procedure for verification of the compliance with them.					
2.1	Law of Ukraine "On amendments to the Law of Ukraine "On the use of registers on payment transactions in the field of trade, catering and services"	<u>The propose of changes:</u> Improving the technology of information transfer from Registers on payment transactions/Program Registers on payment transactions to the State Tax Service without the involvement of information acquirers Establishing requirements for program Registers on payment transactions and the procedure for verifying their compliance	Ministry of Finance of Ukraine (development, support), State Tax Service of Ukraine (support)	December 2023 - December 2025	1 <sup>st</sup> January of the year following the year in which the changes were adopted
<b>10.4.</b> The existence of illicit trade. The existence of unequal competitive conditions due to the necessity of adhering to the requirements of goods accounting for conscientious taxpayers					
<b>Goal 1 (II):</b> Introduction of compulsory goods accounting for all taxpayers in any taxation system.					
1.1	Law of Ukraine "On amendments to the Tax Code of Ukraine" and the Law of Ukraine "On amendments to the law of Ukraine "On accounting and financial reporting in Ukraine"	<u>The propose of changes:</u> Introducing an obligatory requirement for all taxpayers in any taxation system to be able to provide a documentary proof of origin of goods	Ministry of Finance of Ukraine (development, support), State Tax Service of Ukraine (support),	December 2023	January 2024



No	Name of the regulatory act for the task from subsection 2.3	Content of development and changes to the regulatory act	State authority	Deadline for development	Deadline for entry into force
<b>10.5.</b> Presence of a great volume of tax privileges that influence the level of tax revenues; the absence of a unified approach to introducing tax privileges.					
<b>Goal 1 (II):</b> Lowering the amount and scope of tax privileges and developing a unified approach for the State to their introduction and control.					
1.2	Law of Ukraine "On amendments to the Tax Code of Ukraine and other Laws of Ukraine on state policy in the sphere of granting and using of tax privileges"	<u>The propose of changes:</u> Establishing a uniform requirements to the state policy in the field of granting and usage of tax incentives (benefits) Implementing the result of review of tax benefits.	Ministry of Finance of Ukraine (development, support), State Tax Service of Ukraine (support)	June 2023	January 2024
<b>10.6.</b> A necessity for Ukraine to join the effective international system of automatic information exchange that will facilitate the fulfillment of the OECD recommendations and the need to improve the practice of international tax information exchange upon request and increase of transparency and reliability of Ukraine as a state-partner in information exchange					
<b>Goal 1 (I):</b> Implementation of OECD international standards on transparency and information exchange for the aims of taxation					
1.1	Law of Ukraine "On amendments to the Tax Code of Ukraine and other Laws of Ukraine concerning the implementation of the international standard for the automatic exchange of information on financial accounts"	<u>The propose of changes:</u> Defining the functions and rights of tax authorities to ensure the receipt of information necessary for the exchange of information Establishing an obligation for financial institutions to apply the rules of the CRS Standard in carrying out a proper comprehensive audit of financial accounts. Clarifying the definition of specific terms to bring them in line with the requirements of the CRS Standard ("financial account", "account", "financial agent", "non-resident", "partnership") Imposing the requirements for the minimum retention period of documents Settling the issue of obtaining tax information by the tax authority following the CRS Standard and upon	Ministry of Finance of Ukraine (development, support), State Tax Service of Ukraine (support)	November 2022	January 2023



No	Name of the regulatory act for the task from subsection 2.3	Content of development and changes to the regulatory act	State authority	Deadline for development	Deadline for entry into force
		<p>request from the competent authority of a foreign state based on an international agreement</p> <p>Imposing provisions required for creation of an effective system of control over the observance by financial institutions of the requirements for establishing accountable accounts and submitting reports</p>			

**10.7.** The need for the introduction of individual models aimed at restructuring the tax debt for private persons and small and medium businesses

**Goal 1 (I):** Improvement of tax debt management and repayment system aimed at reducing the bureaucracy of the procedure and administrative costs for its repayment, ensuring the maximum automatization of the tax debt repayment processes.

1.1	Law of Ukraine "On amendments to the Tax Code of Ukraine to simplify the procedure for deferral of tax payments"	<u>The propose of changes:</u> Simplifying the procedure for deferral of tax payments Introducing an electronic application procedure Imposing regulations for taxpayers on receiving deferrals for small amounts of tax debts automatically Imposing regulations on reduction and differentiation of interest rates for different categories of payers Revising the criteria for granting deferral to facilitate access to the procedure	Verkhovna Rada Committee on Finance, Tax and Customs Policy (development), Ministry of Finance of Ukraine (support), State Tax Service of Ukraine (support)		
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## XI. TAXATION OF CERTAIN SECTORS AND ACTIVITIES ACCORDING TO THE MEASURES OF THE RESTORATION PLAN

**11.1.** Inconsistency of separate provisions of the Tax Code of Ukraine with the terminology of basic legislation on capital markets and organized commodity markets, and absence of harmonization of the taxation system in the abovementioned sphere with the tax incentives of investing.



No	Name of the regulatory act for the task from subsection 2.3	Content of development and changes to the regulatory act	State authority	Deadline for development	Deadline for entry into force
<b>Goal 1 (II):</b> Regulatory improvement of the taxation procedure of capital markets and organized commodity markets.					
1.1	Law of Ukraine "On amendments to the Tax Code of Ukraine to improve taxation in the sphere of capital markets and organized commodity markets"	<p><u>The propose of changes:</u></p> <p>Bringing the norms of the Tax Code of Ukraine in line with the provisions of the basic legislation in the field of capital markets and organized commodity markets, including the norms on derivative financial instruments.</p> <p>Introducing mechanisms of tax incentives for investors to invest in financial instruments, including long-term investments, in particular through the introduction of special investment accounts.</p> <p>Settlement of issues related to the taxation of trade in commodity derivatives and other assets admitted to trading on organized markets, with the transition to taxation of Central counterparty transactions and transactions carried out on organized markets on a net basis (after netting/clearing).</p> <p>Improving the activities of tax agents during the taxation of transactions with financial instruments and other issues, stimulating investment of individuals in financial instruments.</p> <p>Settlement of certain issues of taxation of contributions to non-state pension funds.</p>	Verkhovna Rada Committee on Finance, Tax and Customs Policy (development), National Securities and Stock Market Commission of Ukraine (development), Ministry of Finance of Ukraine (support), State Tax Service of Ukraine (support).	October 2022	January 2023
<b>11.2.</b> Lifting of tax barriers that cause unequal investment conditions at the insurance market and market of financial leasing either for consumers of non-banking financial services or for financial institutions.					
<b>Goal 1 (II):</b> Improvement of the procedure of the insurance market and market of financial leasing taxation					



No	Name of the regulatory act for the task from subsection 2.3	Content of development and changes to the regulatory act	State authority	Deadline for development	Deadline for entry into force
1.1	Law of Ukraine "On amendments to the Tax Code of Ukraine to improve the taxation of insurance and financial leasing"	<p><u>The propose of changes:</u></p> <p>Performing technical harmonization of the norms of the Tax Code of Ukraine with the relevant laws.</p> <p>Imposing a tax on internal incoming reinsurance operations for insurers aimed at leveling "non-classical" insurance and tax evasion.</p> <p>Adjusting the procedure for taxation of transactions with non-residents under insurance contracts for departing persons.</p> <p>Enlarging the volume of benefits for the payment of insurance premiums under long-term life insurance contracts for relatives of the 2nd degree.</p> <p>Imposing expansion of preferential conditions of personal income tax for accumulative life insurance and private pension provision provided that the employer pays insurance premiums under long-term life insurance and pension insurance contracts for its employees.</p> <p>Clarifying the procedure for taxation of a one-time insurance payment paid by insurers in the event of an insured event of the insured person's lifetime before the expiration of the contract or the insured person reaches the age specified in the contract or payment of redemption amount upon early termination of a life insurance contract.</p> <p>Streamlining the taxation of regular consecutive (annuity) payments that in a similar manner as to the taxation of pensions.</p>	Verkhovna Rada Committee on Finance, Tax and Customs Policy (support), National Bank of Ukraine (development), Ministry of Finance of Ukraine (support), State Tax Service of Ukraine (support)		

**11.3. Resolving issues of taxation of virtual asset transactions for the objectives of Law of Ukraine "On virtual assets"**



No	Name of the regulatory act for the task from subsection 2.3	Content of development and changes to the regulatory act	State authority	Deadline for development	Deadline for entry into force
<b>Goal 1 (II):</b> Improvement of institutional requirements for the functioning of the virtual assets market					
1.1	Law of Ukraine "On amendments to the Tax Code of Ukraine on the peculiarities of taxation of transactions with virtual assets"	<p><u>The propose of changes:</u></p> <p>Providing regulations on issues of taxation of transactions with virtual assets for the Law of Ukraine "On Virtual Assets"</p> <p><i>[This Law shall enter into force only from the date of entry into force of the Law of Ukraine on Amendments to the Tax Code of Ukraine on peculiarities of taxation of transactions with virtual assets]</i></p> <p>Improving the institutional requirements for the functioning of the virtual assets market in line with EU requirements</p>	Verkhovna Rada Committee on Finance, Tax and Customs Policy (development), National Securities and Stock Market Commission of Ukraine (development), NBU (support), Ministry of Finance of Ukraine (support), State Tax Service of Ukraine (support)	December 2025	January 2026
<b>11.4.</b> The negative influence of the unresolved issues of patronage dividends taxation on the agricultural cooperation development					
<b>Goal 1 (II):</b> Identification of the peculiarities of patronage dividends taxation at agricultural cooperatives.					
1.1	Law of Ukraine "On amendments to the Tax Code of Ukraine on agricultural cooperatives"	<p><u>The propose of changes:</u></p> <p>Imposing the provisions regarding transfer of taxation to the side of the recipient of patronage dividends</p>	Verkhovna Rada Committee on Finance, Tax and Customs Policy (development), Ministry of Finance of Ukraine (support), State Tax Service of Ukraine (support)	July 2022	December 2022
<b>11.5.</b> Absence of full-fledged operation of accumulative mandatory pension insurance system in Ukraine and imperfection of non-governmental pension insurance system.					



No	Name of the regulatory act for the task from subsection 2.3	Content of development and changes to the regulatory act	State authority	Deadline for development	Deadline for entry into force
<b>Goal 1 (II):</b> Introduction of full-fledged operation of accumulative mandatory pension insurance system in Ukraine and improvement of non-governmental pension insurance					
1.1	Law of Ukraine "On amendments to the Tax Code and other Laws of Ukraine on non-state pension provision"	<p><u>The propose of changes:</u></p> <p>Providing regulations on the status non-profit of non-state pension funds as taxpayers, issues related to the taxation of services of non-state pension funds.</p> <p>Providing regulations on issues of taxation of pension payments from non-state pension funds and tax consequences of the payment of contributions to non-state pension funds for individuals, including natural persons – entrepreneurs.</p>	Verkhovna Rada Committee on Finance, Tax and Customs Policy (development), Ministry of Finance of Ukraine (support), State Tax Service of Ukraine (support)	September 2023	January 2024

## 5. The necessity to improve existing and create new technical systems

Scope of application	Type of software product	Assigning an IT solution (problems to be solved)	Form of development
Administration of taxes	Electronic cabinet of taxpayers	<p><u>Problems:</u></p> <p>The existing interface of the taxpayer's cabinet does not meet modern requirements for adaptive software design.</p> <p>Upgrade to expand the user functions provided by the TCU, in particular the provision of information about the taxpayer with his consent to third parties - banks, financial companies, electronic platforms, etc.</p> <p><u>The content of amendments:</u></p> <p>User interface development (UI / UX),</p> <p>Providing adaptive pages, including for the visually impaired</p> <p>Mobile software design.</p>	<p>Upgrade of existing software</p> <p>(According to public statements of the State Tax Service, these changes have to be</p>



Scope of application	Type of software product	Assigning an IT solution (problems to be solved)	Form of development
		<p>Creating an effective model of customer support.</p> <p>Implementation of consent to the transfer of data from the open part of the taxpayer's cabinet by submitting a client's application from Internet banking or a mobile application signed by the CEP.</p> <p>Determining the obligation of the State Tax Service to provide banks through the API with information on the codes and accounts of the State Tax Service to which the relevant tax must be paid (by analogy with how it is implemented in the mobile application DIIA)</p> <p>Expanding the list of parameters that should be available to banks and financial institutions through the State Tax Service API</p> <p><u>New features:</u></p> <p>Obtaining the maximum number of certificates and services in electronic form (including residency).</p> <p>Providing the ability to pay taxes through the cabinet (integration with payment services).</p> <p>Ability to provide individuals with periodic payments by subscription.</p> <p>System of pre-filling of tax reporting according to the data of the State Tax Service</p>	implemented through integration with "DIIA")
Administration of taxes. Consideration of complaints	Creating a platform for online communication with taxpayers	<p>Consideration of objections and complaints of taxpayers online</p> <p>Providing the opportunity for online surveys of taxpayers and providing explanations in the process of conducting documentary audits (including remote)</p>	New system
Administration of taxes. VAT	Creating an accounting system of a single universal document for financial and tax accounting for the supply of goods/services.		New system



Scope of application	Type of software product	Assigning an IT solution (problems to be solved)	Form of development
Administration of taxes. VAT	Automated monitoring system for compliance of VAT invoices with risk assessment criteria (SMKOR)		Modification according to the improvement of the risk-oriented system
Excise duty	System of electronic administration of sales of fuel and ethyl alcohol (SEASFEA)	Display in SEASFEA of owners of fuel for detection of fictitious operations, Improving the accounting of fuel and alcohol storage facilities and their technical accounting for own consumption and/or processing	Modification
Excise duty	Electronic control system for tobacco products		New system
Excise duty	Electronic control system for alcohol circulation		New system
Excise duty	Licensing of activities related to excisable goods	Applying the "paperless" principle to all types of licenses for activities with excisable goods Expand the list of parameters that should be available to third parties about the issued licenses through the API STS	Modification
Administration of taxes. Tax debt	AIS. "Tax debt" Electronic taxpayer's cabinet	Improving the technical and tax accounting within a single integrated system. Develop an ERM tax debt management system Ability to notify individuals of an existing debt by electronic means of communication (notification via the mobile application "Diia" or via SMS or messengers) IT solutions for an analytical model of estimating the probability of non-payment of tax liabilities, segmentation of taxpayers, and determining the appropriate methods of tax debt collection according to the individual approach to the taxpayer IT solutions for automatic generation of tax claims, as well as the formation of procedural documents, including application to the courts	Modification New development



Scope of application	Type of software product	Assigning an IT solution (problems to be solved)	Form of development
		<p>IT solutions for automatic issuance and execution of collection as a single electronic file</p> <p>Providing, with the consent of the person, information on tax debt in electronic form for banks and financial institutions, e-commerce sites, etc. (introduce standardized API for sharing data between institutions and tax authority)</p> <p>Reduce the costs of banking institutions for processing collection orders, the costs of the State budget for the preparation, approval, and sending of collection orders, and increase revenues to the State and local budgets through instant receipt and processing of collection orders by banks</p>	
Administration of taxes. Tax control	IT solution for data processing of a standard audit file (SAF-T UA)	<p>Fully automated analysis of the received file (SAF-T UA) by specialized software according to the established risk criteria will help identify possible errors in the calculation of tax liabilities at the pre-audit stage</p> <p>E-audit creates an opportunity for prompt self-control of taxpayers on the calculated tax liabilities with the possibility of correcting errors identified in the e-audit, with the application of a reduced penalty</p>	New system
Administration of taxes. Tax control	The reporting system for financial institutions in the course of automatic exchange of information	<p>According to the CRS, countries which joined this initiative, through their financial institutions (including banks, depositories, insurance companies, brokers, and investment funds) will be required to exchange certain data on the accounts of customers of these financial institutions automatically on an annual basis, guided to some extent by the unified rules of such exchange</p> <p>Creation of a technical system for reporting by financial institutions on reporting accounts</p> <p>Introduction of a standardized API for data exchange between institutions and the State Tax Service</p> <p>System of analysis of tax information obtained in the course of automatic exchange of information for tax control purposes</p>	New system
Administration of taxes. Registers on payment transactions / Program Registers	"SOD RRO"	Conducting an audit of the information technology (IT audit) in the State Tax Service in respect of SOD RRO and elimination of identified shortcomings in the work of SOD RRO based on the results of the IT audit	Modification



Scope of application	Type of software product	Assigning an IT solution (problems to be solved)	Form of development
on payment transactions			
PIT	Electronic cabinet	Household's accounting system, reporting	New system
VAT	Electronic platform for non-residents	Improving the interface in terms (UI/UX) Creating a dispatch support system	Update existing software
Administration of taxes	Single account	Improving the single account interface in terms (UI/UX) Integration with ISO 20022	Modification Upgrade of existing software
PIT. Enrollment of taxes	Single account for PIT payment	Creation of an integrated system for the State Treasury Service on the distribution of PIT between budgets of different levels and depending on the areas of enrollment (at the place of registration of the person/separate unit)	New system
Administration of taxes. Registers on payment transactions / Program Registers on payment transactions	Data accounting system of registers on payment transactions	Improvement of protocols for information transfer from registers on payment transactions, Program Registers on payment transactions by wired or wireless communication channels to the State Tax Service of Ukraine Improving the interface of Registers on payment transactions, Program Registers on payment transactions	Modification Upgrade of existing software
Administration of taxes. Implementation of EU Directives into Ukraine legislation	IT solutions in the course of the implementation of EU Directives	<u>Relevant IT solutions:</u> Connection to CCN / CSI (DAC and other information). Interconnection: VIES, E-Commerce, MOSS, OSS, EMCS, VAT refund, etc.	New system
Regulation of activities in certain sectors (areas). Capital markets	Electronic cabinet	IT solutions to ensure effective reporting by capital and commodity market participants Introduction of a standardized API for data exchange between investment banking programs and the electronic office of the taxpayer	New system, Modification



Scope of application	Type of software product	Assigning an IT solution (problems to be solved)	Form of development
Regulation of activities in certain industries (areas). Virtual assets	Electronic cabinet	IT solutions to ensure effective reporting by virtual asset participants. Introduction of a standardized API for data exchange between electronic platforms of the virtual assets market and the electronic office of the taxpayer	New system, New system.

## 6. The main legislative acts in the field of taxation and their implementation in the legislation of Ukraine

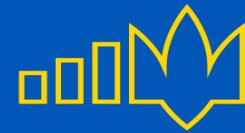
Subject	Nº	Title of the act of EU legislation and stages of its implementation	Title (English / Ukrainian / Text of the EU legislation at <a href="https://eur-lex.europa.eu/">https://eur-lex.europa.eu/</a> )	Implementation of EU legislation under the Association Agreement	Status of implementation
VAT. General		1. Ukrainian legislative/administrative framework in the field of taxation and tax administration for accession to the European Union created			
VAT. General		1.1. Ukrainian legislative/administrative framework in the field of indirect taxation for accession to the European Union established			
VAT. General	1	1.1.1. Ukrainian legislation and administrative framework are approximated with the EU Directive on the common system of value-added tax (after that – EU VAT Directive)	Council Directive 2006/112/EC of 28 November 2006 on the common system of value-added tax: <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32006L0112">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32006L0112</a>	Yes, with the exception of Articles 5-8, 20, 33, 40-42, 79, 100-101, 123-130, 140-142, 145, 146 (1 ("B")), 147, 155, 164-166, 170-171, 175, 203, 205, 209, 210, 212, 219, 238-240, 245, 254, 258, 274-280, 293-294, 370-395, 396-400, 402-410, 411- 413	Prepared, involving a comparative table of compliance of tax legislation of Ukraine in terms of VAT to the provisions of Directive 112, which was agreed upon with an international expert involved in the EU4PFM Program  An opinion was received from the European Commission on the implementation of the



Subject	Nº	Title of the act of EU legislation and stages of its implementation	Title (English / Ukrainian / Text of the EU legislation at <a href="https://eur-lex.europa.eu/">https://eur-lex.europa.eu/</a> )	Implementation of EU legislation under the Association Agreement	Status of implementation
				(provisions applicable to EU Member States), Articles 281-294, 295-305, 306-325, 326-332, 333-343, 348-349, 358-369 (concerning special tax regimes)	approximation of the Tax Code of Ukraine to Directive 112 (letter dated 25 January 2021 Ref Ares (2021) 592349), confirming that Ukrainian VAT tax legislation is generally in line with EU legislation. The European Commission has stated that several articles of the Tax Code of Ukraine need attention or future action on possible harmonization with EU legislation. These actions are not urgent and need to be implemented in the future
VAT. General		1.1.1.1. Recommendations on/assistance in preparing draft legislation aligning Ukrainian legal acts with EU VAT Directive and/or Commission implementing legal acts provided			The European Commission assisted under the EU4PFM program.
VAT. General		1.1.1.2. STS capacity building in implementation of the EU VAT Directive/Commission implementing legal acts enhanced			As Ukrainian legislation is broadly in line with EU law, there was no need to implement the Commission's legislation into Directive 112
VAT. General		1.1.1.2.1. Analysis of STS administrative framework conducted and recommendations on key operational/IT solutions to be implemented provided			Due to the lack of need, the STS did not provide recommendations for the implementation of key operational IT solutions



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VAT. Exemption	<b>2</b>	1.1.2. Ukrainian legislation and administrative framework are approximated with EU directives on VAT exemptions for travelers and VAT exemptions for finally imported goods (after that – EU VAT exemptions directives)	Council Directive 2007/74/EC of 20 December 2007 on the exemption from value-added tax and excise duty of goods imported by persons traveling from third countries: <a href="https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:X:32007L0074">https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:X:32007L0074</a>	Yes (section 3 on quantitative restrictions).	The Council Directive 2007/74/EC provisions have been implemented in the Tax Code of Ukraine (Articles 191, 196) and the Customs Code of Ukraine (Articles 369, 374).
VAT. Exemption		1.1.2.1. Comparative analysis of Ukrainian legislation compliance with EU VAT exemptions directives conducted			
VAT. Exemption		1.1.2.2. Recommendations on/assistance in preparing draft legislation aligning Ukrainian legal acts with EU VAT exemptions directives and/or Commission implementing legal acts provided			
VAT. Exemption		1.1.2.3. STS/SCS capacity building in implementation of the EU VAT exemptions directives /Commission implementing legal acts enhanced			
VAT. Exemption		1.1.2.3.1. Analysis of STS/SCS administrative framework conducted and			



Subject	Nº	Title of the act of EU legislation and stages of its implementation	Title (English / Ukrainian / Text of the EU legislation at <a href="https://eur-lex.europa.eu/">https://eur-lex.europa.eu/</a> )	Implementation of EU legislation under the Association Agreement	Status of implementation
		recommendations on key operational/IT solutions to be implemented provided			
VAT. Refund	<b>3</b>	1.1.3. Ukrainian legislation and administrative framework are approximated with EU directives on VAT refund for non-EEC taxable persons and VAT refunds for a taxable person established in another EU country (after that – EU VAT refund directives)	<p>a) Thirteenth Council Directive 86/560/EEC of 17 November 1986 on the harmonization of the laws of the Member States relating to turnover taxes - arrangements for the refund of value-added tax to taxable persons not established in Community territory:</p> <p><a href="https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex-%3A31986L0560">https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex-%3A31986L0560</a></p>	<p>a) Thus, from the date of entry into force of the Association Agreement, the Association Council shall determine the timetable for Ukraine's implementation of this Directive</p>	<p>a) On 26 October 2021 by the letter of the Ministry of Finance № 44040-08-10/33081, the draft decision of the EU-Ukraine Association Council on the implementation of 13 Directives was sent to the EU Delegation to Ukraine and the Government Office for Coordination of European and Euro-Atlantic Integration.</p> <p>b) No (irrelevant as the Directive applies to the EU Member States within the EU)</p>
VAT. Refund			<p>b) Council Directive 2008/9/EC of 12 February 2008 laying down detailed rules for the refund of value-added tax, provided for in Directive 2006/112/EC, to taxable persons not established in the Member State of refund but established in another Member State:</p>	<p>b) No</p>	<p>b) No (irrelevant), the Directive applies to the EU Member States within the EU. Ukraine has borders with the EU, so VAT refunds are made only within the country with its mechanism</p>



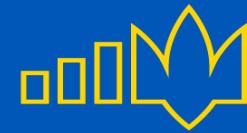
Subject	Nº	Title of the act of EU legislation and stages of its implementation	Title (English / Ukrainian / Text of the EU legislation at <a href="https://eur-lex.europa.eu/">https://eur-lex.europa.eu/</a> )	Implementation of EU legislation under the Association Agreement	Status of implementation
			<a href="https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:X:32008L0009">https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:X:32008L0009</a>		
VAT. Refund		1.1.3.1. Comparative analysis of Ukrainian legislation compliance with EU VAT refund directives conducted			a) No. b) No.
VAT. Refund		1.1.3.2. Recommendations on/assistance in preparing draft legislation aligning Ukrainian legal acts with EU VAT refund directives and/or Commission implementing legal acts provided			a) No. b) No.
VAT. Refund		1.1.3.3. STS capacity building in implementation of the EU VAT refund directives/Commission implementing legal acts enhanced			
		1.1.3.3.1. Analysis of STS administrative framework conducted and recommendations on key operational/IT solutions to be implemented provided			
Excise duty. General issues	<b>4</b>	1.1.4. Ukrainian legislation and administrative framework are approximated with EU Directive on General arrangements for excise duty (after that – EU Excise Directive)	Council Directive 2008/118/EC of 16 December 2008 concerning the general arrangements	Yes (Article 1).	Article 1 is partially implemented by Section VI "Excise Tax" of the Tax Code of Ukraine



Subject	Nº	Title of the act of EU legislation and stages of its implementation	Title (English / Ukrainian / Text of the EU legislation at <a href="https://eur-lex.europa.eu/">https://eur-lex.europa.eu/</a> )	Implementation of EU legislation under the Association Agreement	Status of implementation
			for excise duty and repealing Directive 92/12: <a href="https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex%3A32008L0118">https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex%3A32008L0118</a>		Needs to be listed in terms of excisable goods regulated by Directive 2003/96 (energy goods). Implementation timeframe for Directive 2003/96 – gradually
Excise duty. General issues		1.1.4.1. Comparative analysis on Ukrainian legislation compliance with EU Excise Directive conducted			Yes (Article 1) No (other articles)
Excise duty. General issues		1.1.4.2. Recommendations on/assistance in preparing draft legislation aligning Ukrainian legal acts with EU Excise Directive and/or Commission implementing legal acts provided			On 3 September 2019 the EU received comments on energy products. The implementation period of Directive 2003/96 is gradual
Excise duty. General issues		1.1.4.3. STS capacity building in implementation of the EU Excise Directive/Commission implementing legal acts enhanced			
Excise duty. General issues		1.1.4.3.1. Analysis of STS administrative framework conducted and recommendations on key operational/IT solutions to be implemented provided			
Excise duty. Fuel taxation	5	1.1.5. Ukrainian legislation and administrative framework are approximated with EU Directive on fiscal marking of gas oils and kerosene	Council Directive 95/60/EC of 27 November 1995 on fiscal marking of gas oils and kerosene:	No.	



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			<a href="https://eur-lex.europa.eu/eli/dir/1995/60/oj">https://eur-lex.europa.eu/eli/dir/1995/60/oj</a>		
Excise duty. Fuel taxation		1.1.5.1. Comparative analysis on Ukrainian legislation compliance with EU Directive on fiscal marking of gas oils and kerosene conducted			No.
Excise duty. Fuel taxation		1.1.5.2. Recommendations on/assistance in preparing draft legislation aligning Ukrainian legal acts with EU Directive on fiscal marking of gas oils and kerosene and/or Commission implementing legal acts provided			
Excise duty. Fuel taxation		1.1.5.3. STS capacity building in implementation of the EU Directive on fiscal marking of gas oils and kerosene/Commission implementing legal acts enhanced			
Excise duty. Fuel taxation		1.1.5.3.1. Analysis of STS administrative framework conducted and recommendations on key operational/IT solutions to be implemented provided			
Excise duty. Alcohol taxation	<b>6</b>	1.1.6. Ukrainian legislation is approximated EU directives on the taxation of alcohol, manufactured tobacco products, energy products, and electricity	a) Council Directive 92/83/EEC of 19 October 1992 on the harmonization of the structures of excise	Yes	Law of Ukraine of 23 November 2018 № 2628 "On Amendments to the Tax Code of Ukraine and some other legislative acts of Ukraine to improve the administration and



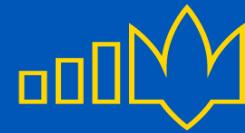
Subject	Nº	Title of the act of EU legislation and stages of its implementation	Title (English / Ukrainian / Text of the EU legislation at <a href="https://eur-lex.europa.eu/">https://eur-lex.europa.eu/</a> )	Implementation of EU legislation under the Association Agreement	Status of implementation
			duties on alcohol and alcoholic beverages: <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX-X%3A01992L0083-20220101">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX-X%3A01992L0083-20220101</a>		revision of rates of certain taxes and fees" – from 1 March 2019 the classification of wine products is reduced to the Council Directive 19 October 1992 № 92/83/EEC on harmonization of structures of excise duties on alcohol and alcoholic beverages Law of Ukraine of 30 November 2021 № 1914 "On Amendments to the Tax Code of Ukraine and Certain Legislative Acts of Ukraine to Ensure Balanced Budget Revenues" – to take into account the comments of the EU Party to replace the current rate of excise duty on beer for 1 liter of finished products rate depending on the actual strength of the finished product – for 1 liter of 100 percent alcohol
Excise duty. Taxation of tobacco products	7		b.1) Council Directive 2011/64/EU of 21 June 2011 on the structure and rates of excise duty applied on manufactured tobacco (on the schedule of increasing of tobacco products tax rates):	Yes (Articles 7 (2), 8, 9, 10, 11, 12, 14 (1), 14 (2), 14 (4), 18 and 19 – according to a separate schedule)	Law of Ukraine dated 7 December 2017 № 2245 "On Amendments to the Tax Code of Ukraine and Certain Legislative Acts of Ukraine Concerning Ensuring Balance of Budget Revenues in 2018": - the requirements of Directive 2011/64 regarding the share of excise duty in the weighted



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			<a href="https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:32011L0064">https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:32011L0064</a>	<p>average retail selling price of cigarettes are at least 60%, and a mechanism for determining such a price has been introduced;</p> <ul style="list-style-type: none"> <li>- a gradual annual increase of excise tax rates in Ukraine to the level in force in the EU – 90 euros per 1,000 units – is envisaged until 2025</li> </ul> <p>The draft Law of Ukraine "On Amendments to the Tax Code of Ukraine and Other Laws of Ukraine to Ensure Balanced Budget Revenues" (registration № 4101 dated 15 September 2020) provides, in particular, to supplement the definition of "weighted average retail price of cigarettes" with the phrase "including all taxes". Following the adoption of the draft comments on Article 8.2 of Directive 2011/64 of the European Commission on the alignment of Ukrainian legislation with EU legislation will be taken into account</p>	
Excise duty. Taxation of			b.2) Council Directive 2011/64/EU of 21 June 2011 on the structure and	Yes (Articles 7 (2), 8, 9, 10, 11, 12, 14 (1), 14 (2), 14	Section VI "Excise tax" of the Tax Code of Ukraine and the SFS order of 9 June 2015 № 401 "On



Subject	Nº	Title of the act of EU legislation and stages of its implementation	Title (English / Ukrainian / Text of the EU legislation at <a href="https://eur-lex.europa.eu/">https://eur-lex.europa.eu/</a> )	Implementation of EU legislation under the Association Agreement	Status of implementation
tobacco products			<p>rates of excise duty applied on manufactured tobacco (on the definition of tobacco products and rate's structure):</p> <p><a href="https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX-3:32011L0064">https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX-3:32011L0064</a></p>	(4), 18 and 19 – according to a separate schedule)	<p>approval of Explanations to the Ukrainian classification of goods of foreign economic activity" (order of the LCA of 14 July 2020 № 256 "On approval of Explanations to the Ukrainian classification of goods of foreign economic activity" – in terms of tobacco products without changes)</p>
Excise duty. Taxation of fuel and electricity	<b>8</b>		<p>c) Council Directive 2003/96/EC of 27 October 2003 restructuring the Community framework for the taxation of energy products and electricity:</p> <p><a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX-3A02003L0096-20180915">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX-3A02003L0096-20180915</a></p>	<p>Thus, gradually, based on the future needs of Ukraine in the field of environmental protection and energy efficiency</p>	<p>Partially taken into account. The Law of Ukraine dated 23 November 2018 № 2628 "On Amendments to the Tax Code of Ukraine and some other legislative acts of Ukraine to improve the administration and revision of the rates of certain taxes and fees" introduced provisions on:</p> <ul style="list-style-type: none"> <li>- improvement of control over fuel circulation in the System of electronic administration of fuel sales;</li> <li>- licensing of activities of all business entities engaged in the production, storage, wholesale and retail trade in fuel;</li> <li>- control over the intended use of fuel intended for air</li> </ul>



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					<p>transport (aviation gasoline and jet fuel), establishing responsibility for the misuse of such goods;</p> <ul style="list-style-type: none"> <li>- equipment of excise warehouses with flow meters and/or level meters and the obligation to register them in the Unified State Register of flow meters and level meters</li> </ul>
Excise duty. Taxation of alcoholic beverages. Taxation of tobacco products. Taxation of fuel and electricity		1.1.6.1. Recommendations on/assistance in preparing draft legislation aligning Ukrainian legal acts with EU directives on taxation of alcohol, manufactured tobacco products, energy products, and electricity provided			18-22 January 2021 TAIEX Expert Mission on the harmonization of excise tax on tobacco products (65950)
Excise duty. Vehicle taxation	9	1.1.7. Ukrainian legislation is approximated with EU Directive on the charging of heavy goods vehicles for the use of certain infrastructures	<p>Directive 1999/62/EC of the European Parliament and of the Council of 17 June 1999 on the charging of vehicles for the use of road infrastructures:</p> <p><a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELE">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELE</a></p>	No.	



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			<u><a href="#">X%3A01999L0062-20220324</a></u>		
Excise duty. Taxation of vehicles		1.1.7.1. Comparative analysis of Ukrainian legislation compliance with EU Directive on the charging of heavy goods vehicles for the use of certain infrastructures conducted			No.
Excise duty. Taxation of vehicles		1.1.7.2. Recommendations on/assistance in preparing draft legislation aligning Ukrainian legal acts with EU Directive on the charging of heavy goods vehicles for the use of certain infrastructures provided			
VAT, Excise duty. Indirect taxes on the raising of capital	<b>10</b>	1.1.8. Ukrainian legislation is approximated with EU Directive concerning indirect taxes on the raising of capital	Council Directive 2008/7/EC of 12 February 2008 concerning indirect taxes on the raising of capital: <u><a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX-X%3A02008L0007-20130701">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX-X%3A02008L0007-20130701</a></u>	No	No.
VAT, Excise duty. Indirect taxes on the raising of capital		1.1.8.1. Comparative analysis on Ukrainian legislation compliance with EU Directive concerning indirect taxes on the raising of capital conducted			No.



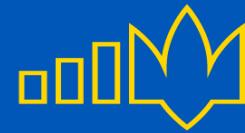
Subject	Nº	Title of the act of EU legislation and stages of its implementation	Title (English / Ukrainian / Text of the EU legislation at <a href="https://eur-lex.europa.eu/">https://eur-lex.europa.eu/</a> )	Implementation of EU legislation under the Association Agreement	Status of implementation
VAT, Excise duty. Indirect taxes on the raising of capital		1.1.8.2. Recommendations on/assistance in preparing draft legislation aligning Ukrainian legal acts with EU Directive concerning indirect taxes on the raising of capital provided			
VAT, Excise duty. Indirect taxes on the raising of capital		1.1.9. Ukrainian legislation and administrative framework are approximated with EU directives on tax exemptions applicable to the permanent introduction from a Member State of the personal property of individuals and tax exemptions within the Community for certain means of transport temporarily imported into one Member State from another (after that – EU Tax-free allowances directives)			
VAT, Excise duty. Exemption from import of personal property and vehicles	<b>11</b>		a) Council Directive 2009/55/EC of 25 May 2009 on tax exemptions applicable to the permanent introduction from a Member State of the personal property of individuals: <a href="https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX-X:32009L0055">https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX-X:32009L0055</a>	No.	



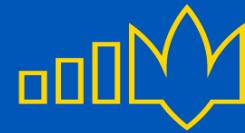
Subject	№	Title of the act of EU legislation and stages of its implementation	Title (English / Ukrainian / Text of the EU legislation at <a href="https://eur-lex.europa.eu/">https://eur-lex.europa.eu/</a> )	Implementation of EU legislation under the Association Agreement	Status of implementation
VAT, Excise duty. Exemption from import of personal property and vehicles			b) Council Directive 83/182/EEC of 28 March 1983 on tax exemptions within the Community for certain means of transport temporarily imported into one Member State from another <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A31983L0182">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A31983L0182</a>	No.	The provisions of Council Directive 83/182/EEC have been implemented in the Tax Code of Ukraine (Article 206) and the Customs Code of Ukraine (Chapter 18)
VAT, Excise duty. Exemption from import of personal property and vehicles		1.1.9.1. Comparative analysis of Ukrainian legislation compliance with EU Tax-free allowances directives conducted			No.
VAT, Excise duty. Exemption from import of personal property and vehicles		1.1.9.2. Recommendations on/assistance in preparing draft legislation aligning Ukrainian legal acts with EU Tax-free allowances directives and/or Commission implementing legal acts provided			
VAT, Excise duty. Exemption		1.2. Ukrainian legislative/administrative framework in the field of direct taxation			



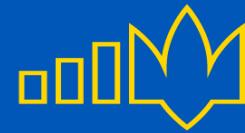
Subject	Nº	Title of the act of EU legislation and stages of its implementation	Title (English / Ukrainian / Text of the EU legislation at <a href="https://eur-lex.europa.eu/">https://eur-lex.europa.eu/</a> )	Implementation of EU legislation under the Association Agreement	Status of implementation
from import of personal property and vehicles		for accession to the European Union established			
VAT, Excise duty. Exemption from import of personal property and vehicles		1.2.1. Ukrainian legislation is approximated with Convention on the elimination of double taxation in connection with the adjustment of profits of associated enterprises and the Code of Conduct			
CPT. Avoidance of double taxation	<b>12</b>		a) Convention on the elimination of double taxation in connection with the adjustment of profits of associated enterprises (90/463/EEC) (the Arbitration Convention): <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX-X%3A01990A0436-20141214">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX-X%3A01990A0436-20141214</a>	No.	
CPT. Avoidance of double taxation. Code of conduct	<b>13</b>		b) Revised code of conduct for the effective implementation of the Convention on the elimination of double taxation in connection with	No.	



Subject	Nº	Title of the act of EU legislation and stages of its implementation	Title (English / Ukrainian / Text of the EU legislation at <a href="https://eur-lex.europa.eu/">https://eur-lex.europa.eu/</a> )	Implementation of EU legislation under the Association Agreement	Status of implementation
			<p>the adjustment of profits of associated enterprises (2009/C 322/01):</p> <p><a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A42009X1230%2801%29">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A42009X1230%2801%29</a></p>		
CPT. Avoidance of double taxation. Code of conduct		1.2.1.1. Recommendations on/assistance in preparing draft legislation aligning Ukrainian legal acts with the Convention on the elimination of double taxation in connection with the adjustment of profits of associated enterprises and Code of Conduct provided			
CPT. Taxation of interest and royalties	<b>14</b>	1.2.2. Ukrainian legislation is approximated with EU Directive on a common system of taxation applicable to interest and royalty payments made between associated companies of different Member States (after that - EU Directive on interests and royalty payments)	<p>Council Directive 2003/49/EC of 3 June 2003 on a common system of taxation applicable to interest and royalty payments made between associated companies of different Member States:</p> <p><a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX-X%3A02003L0049-20130701">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX-X%3A02003L0049-20130701</a></p>	No	Certain provisions are implemented in the Tax Code of Ukraine (amended by the Law of Ukraine of 16 January 2020 № 466 "On Amendments to the Tax Code of Ukraine to improve tax administration, eliminate technical and logical inconsistencies in tax legislation")



Subject	Nº	Title of the act of EU legislation and stages of its implementation	Title (English / Ukrainian / Text of the EU legislation at <a href="https://eur-lex.europa.eu/">https://eur-lex.europa.eu/</a> )	Implementation of EU legislation under the Association Agreement	Status of implementation
CPT. Taxation of interest and royalties		1.2.2.1. Comparative analysis of Ukrainian legislation compliance with EU Directive on interests and royalty payments conducted			No.
CPT. Taxation of interest and royalties		1.2.2.2. Recommendations on/assistance in preparing draft legislation aligning Ukrainian legal acts with EU Directive on interests and royalty payments provided			
CPT. Counteracting tax evasion	<b>15</b>	1.2.3. Ukrainian legislation is approximated with EU Directive laying down rules against tax avoidance practices that directly affect the functioning of the internal market (after that – Anti-Tax Avoidance Directive)	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: <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX-X%3A02016L1164-20220101">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX-X%3A02016L1164-20220101</a>	No.	Certain provisions are implemented in the Tax Code of Ukraine (amended by the Law of Ukraine of 16 January 2020 № 466 "On Amendments to the Tax Code of Ukraine to improve tax administration, eliminate technical and logical inconsistencies in tax legislation")
CPT. Counteracting tax evasion		1.2.3.1. Comparative analysis of Ukrainian legislation compliance with EU Anti-Tax Avoidance Directive conducted			No.
CPT. Counteracting tax evasion		1.2.3.2. Recommendations on/assistance in preparing draft legislation aligning Ukrainian legal acts			



Subject	Nº	Title of the act of EU legislation and stages of its implementation	Title (English / Ukrainian / Text of the EU legislation at <a href="https://eur-lex.europa.eu/">https://eur-lex.europa.eu/</a> )	Implementation of EU legislation under the Association Agreement	Status of implementation
		with EU Anti-Tax Avoidance Directive provided			
CPT. Taxation of parent and subsidiary companies	<b>16</b>	1.2.4. Ukrainian legislation is approximated with EU Directive on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States (after that – Parent-Subsidiary Directive)	Council Directive 2011/96/EU of 30 November 2011 on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States: <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX-X%3A02011L0096-20150217">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX-X%3A02011L0096-20150217</a>	No.	Certain provisions are implemented in the Tax Code of Ukraine (amended by the Law of Ukraine of 16 January 2020 № 466 "On Amendments to the Tax Code of Ukraine to improve tax administration, eliminate technical and logical inconsistencies in tax legislation") The information needs clarification
CPT. Taxation of parent and subsidiary companies		1.2.4.1. Comparative analysis of Ukrainian legislation compliance with EU Parent-Subsidiary Directive conducted			No.
CPT. Taxation of parent and subsidiary companies		1.2.4.2. Recommendations on/assistance in preparing draft legislation aligning Ukrainian legal acts with EU Parent-Subsidiary Directive provided			
Administration. Dispute resolution mechanism	<b>17</b>	1.2.5. Ukrainian legislation is approximated with the EU Directive on tax dispute resolution mechanisms in the European Union	Council Directive (EU) 2017/1852 of 10 October 2017 on tax dispute	No.	Article 108 <sup>1</sup> of the Tax Code of Ukraine. Procedure for mutual agreement



Subject	Nº	Title of the act of EU legislation and stages of its implementation	Title (English / Ukrainian / Text of the EU legislation at <a href="https://eur-lex.europa.eu/">https://eur-lex.europa.eu/</a> )	Implementation of EU legislation under the Association Agreement	Status of implementation
			resolution mechanisms in the European Union: <a href="https://eur-lex.europa.eu/eli/dir/2017/1852/oj">https://eur-lex.europa.eu/eli/dir/2017/1852/oj</a>		Order of the Ministry of Finance dated 30 December 2020 № 820 "On approval of the Procedure for consideration of the application (case) under the procedure of mutual agreement and requirements for the application"
Administration. Dispute resolution mechanism		1.2.5.1. Comparative analysis of Ukrainian legislation compliance with EU Directive on tax dispute resolution mechanisms in the European Union conducted			No.
Administration. Dispute resolution mechanism		1.2.5.2. Recommendations on / assistance in preparing draft legislation aligning Ukrainian legal acts with EU Directive on tax dispute resolution mechanisms in the European Union provided			
CPT. Taxation of hybrid structures, BEPS	<b>18</b>	1.2.6. Ukrainian legislation is approximated with EU Directive on Hybrid Mismatches	Council Directive (EU) 2017/952 of 29 May 2017 amending Directive (EU) 2016/1164 as regards hybrid mismatches with third countries: <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?toc=OJ:L:2017:144:TOC&amp;uri=uriserv:">https://eur-lex.europa.eu/legal-content/EN/TXT/?toc=OJ:L:2017:144:TOC&amp;uri=uriserv:</a>	No.	



Subject	Nº	Title of the act of EU legislation and stages of its implementation	Title (English / Ukrainian / Text of the EU legislation at <a href="https://eur-lex.europa.eu/">https://eur-lex.europa.eu/</a> )	Implementation of EU legislation under the Association Agreement	Status of implementation
			<a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELE">OJ.L .2017.144.01.0001.01 ENG</a>		
CPT. Taxation of hybrid structures, BEPS		1.2.6.1. Comparative analysis of Ukrainian legislation compliance with EU Directive on tax dispute resolution mechanisms in the European Union conducted			No.
CPT. Taxation of hybrid structures, BEPS		1.2.6.2. Recommendations on/assistance in preparing draft legislation aligning Ukrainian legal acts with EU Directive on tax dispute resolution mechanisms in the European Union provided			
CPT. Taxation of hybrid structures, BEPS		1.3. Ukrainian legislative/administrative framework in the field of administrative cooperation and mutual assistance for accession to the European Union established			
VAT. Counteraction to tax fraud	<b>19</b>	1.3.1. Ukrainian legislation and administrative framework are approximated with EU Council Regulation on administrative cooperation and combating fraud in the field of value-added tax (after that – EU VAT administrative cooperation regulation)	Council Regulation (EU) № 904/2010 of 7 October 2010 on administrative cooperation and combating fraud in the field of value-added tax: <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELE">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELE</a>	No.	Council Regulation (EU) № 904/2010 applies to the EU Member States within the EU. Due to the border between Ukraine and the EU, Ukraine has introduced its mechanism for controlling the completeness of VAT payments



Subject	Nº	Title of the act of EU legislation and stages of its implementation	Title (English / Ukrainian / Text of the EU legislation at <a href="https://eur-lex.europa.eu/">https://eur-lex.europa.eu/</a> )	Implementation of EU legislation under the Association Agreement	Status of implementation
			<a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX-X%3A02010R0904-20210701">X%3A02010R0904-20210701</a>		
VAT. Counteraction to tax fraud		1.3.1.1. Recommendations on/assistance in preparing draft legislation aligning Ukrainian legal acts with EU VAT administrative cooperation regulation provided			
VAT. Counteraction to tax fraud		1.3.1.2. STS capacity building in implementation of the EU VAT administrative cooperation regulation/Commission implementing legal acts enhanced			
VAT. Counteraction to tax fraud		1.3.1.2.1. Analysis of STS administrative framework conducted and recommendations on key operational/IT solutions to be implemented provided			
Excise duty. Electronic registers	20	1.3.2. Ukrainian legislation and administrative framework are approximated with EU Council Regulation on administrative cooperation in the field of excise duties	Council Regulation (EU) № 389/2012 of 2 May 2012 on administrative cooperation in the field of excise duties and repealing Regulation (EC) № 2073/2004: <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX-X%3A02012R0389-20130701">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX-X%3A02012R0389-20130701</a>	No	The information needs clarification



Subject	Nº	Title of the act of EU legislation and stages of its implementation	Title (English / Ukrainian / Text of the EU legislation at <a href="https://eur-lex.europa.eu/">https://eur-lex.europa.eu/</a> )	Implementation of EU legislation under the Association Agreement	Status of implementation
Excise duty. Electronic registers			<p>Council Regulation (EU) 2020/261 of 19 December 2019 amending Regulation (EU) № 389/2012 on administrative cooperation in the field of excise duties as regards the content of electronic registers.</p> <p>Council Regulation (EU) 2020/261 of 19 December 2019 amending Regulation (EU) № 389/2012 on administrative cooperation in the field of excise duties as regards the content of electronic registers:</p> <p><a href="https://eur-lex.europa.eu/legal-content/en/ALL/?uri=CELEX:32020R0261">https://eur-lex.europa.eu/legal-content/en/ALL/?uri=CELEX:32020R0261</a></p>		
Excise duty. Electronic registers		1.3.2.1. Recommendations on/assistance in preparing draft legislation aligning Ukrainian legal acts with EU VAT administrative cooperation regulation and/or Commission implementing legal acts provided			
Excise duty. Electronic registers		1.3.2.2. STS capacity building in implementation of EU Council Regulation on administrative cooperation in the			



Subject	Nº	Title of the act of EU legislation and stages of its implementation	Title (English / Ukrainian / Text of the EU legislation at <a href="https://eur-lex.europa.eu/">https://eur-lex.europa.eu/</a> )	Implementation of EU legislation under the Association Agreement	Status of implementation
		field of excise duties/Commission implementing legal acts enhanced			
Excise duty. Electronic registers		1.3.2.2.1. Analysis of STS administrative framework conducted and recommendations on key operational/IT solutions to be implemented provided			
Excise duty. Electronic registers					
Administration. Assistance in collecting taxes	<b>21</b>	1.3.3. Ukrainian legislation and administrative framework are approximated with EU Directive concerning mutual assistance for the recovery of claims relating to taxes, duties, and other measures (hereafter – EU Recovery Directive)	Council Directive 2010/24 / EU of 16 March 2010 concerning mutual assistance for the recovery of claims relating to taxes, duties, and other measures: <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32010L0024">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32010L0024</a>	No	The information requires clarification
Administration. Assistance in collecting taxes		1.3.3.1. Comparative analysis on Ukrainian legislation compliance with EU Recovery Directive conducted			
Administration. Assistance in		1.3.3.2. Recommendations on / assistance in preparing draft legislation aligning Ukrainian legal acts with EU			



Subject	Nº	Title of the act of EU legislation and stages of its implementation	Title (English / Ukrainian / Text of the EU legislation at <a href="https://eur-lex.europa.eu/">https://eur-lex.europa.eu/</a> )	Implementation of EU legislation under the Association Agreement	Status of implementation
collecting taxes		Recovery Directive and/or Commission implementing legal acts provided			
Administration. Assistance in collecting taxes		1.3.3.3. STS capacity building in implementation of the EU Recovery Directive / Commission implementing legal acts enhanced			
Administration. Assistance in collecting taxes		1.3.3.3.1. Analysis of STS administrative framework conducted and recommendations on key operational / IT solutions to be implemented provided			
Administration. Automatic exchange of information	22	1.3.4. Ukrainian legislation and administrative framework are approximated with EU Directive on administrative cooperation in the field of taxation (hereafter – EU Administrative Cooperation Directive)	Council Directive 2011/16 / EU of 15 February 2011 on administrative cooperation in the field of taxation and repealing Directive 77/799 / EEC: <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX-X%3A02011L0016-20200701">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX-X%3A02011L0016-20200701</a>	No	Order of the Ministry of Finance dated 20 August 2020 № 496 "On approval of the Procedure for filling in and submitting a report on financial accounts by financial agents under the FATCA Agreement" The information requires clarification
Administration. Automatic exchange of information		1.3.4.1. Comparative analysis of Ukrainian legislation compliance with EU Administrative Cooperation Directive conducted			No.
Administration. Automatic		1.3.4.2. Recommendations on / assistance in preparing draft legislation aligning Ukrainian legal acts with EU			



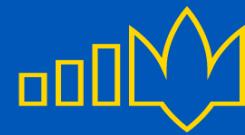
Subject	№	Title of the act of EU legislation and stages of its implementation	Title (English / Ukrainian / Text of the EU legislation at <a href="https://eur-lex.europa.eu/">https://eur-lex.europa.eu/</a> )	Implementation of EU legislation under the Association Agreement	Status of implementation
exchange of information		Administrative Cooperation Directive and/or Commission implementing legal acts provided			
Administration. Automatic exchange of information		1.3.4.3. STS capacity building in implementation of the EU Administrative Cooperation Directive / Commission implementing legal acts enhanced			
Administration. Automatic exchange of information		1.3.4.3.1. Analysis of STS administrative framework conducted and recommendations on key operational / IT solutions to be implemented provided			
Administration. Automatic exchange of information		1.4. Assistance in preparation for dialogue/access negotiation between the partner institutions and Commission on Ukrainian national legislation harmonization with EU legislation provided			
Administration. Automatic exchange of information		1.5. Partner institutions <i>ad hoc</i> requests in the taxation/tax administration field on assistance facilitating Ukraine's accession to the EU addressed			



## SUBGROUP 2: CUSTOMS POLICY

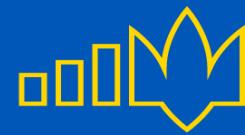
### 1. The main issues that need to be resolved as a part of the Recovery Plan in the field of "Finance system operation, its transformation, and development"

Impact of the war on the defined sphere of analysis:	
Key challenges (summarized for a defined scope: <b>Customs policy</b> )	<ol style="list-style-type: none"> <li>1. Lack of a unified approach to customs clearance of goods in different customs authorities of Ukraine</li> <li>2. Unfavourable and unpredictable conditions for foreign economic activity (FEA) and the national producer, significant time of customs clearance and low throughout capacity of border crossing points</li> <li>3. Inconsistency of transit procedures in Ukraine with the rules of the Convention on a common transit procedure, which makes impossible accession to the Convention and NCTS application at the international level</li> <li>4. Ukraine's customs legislation isn't harmonized with EU legislation, slowing down European integration and EU accession</li> <li>5. IT solutions/IT infrastructure that don't comply with e-Customs and MASP-C; excessive bureaucracy of processes</li> <li>6. Increase of the volume of illegally imported goods, movement of commercial goods under the cover of humanitarian aid; significant volume of counterfeit goods that repulse the interest of investors</li> <li>7. Corruption at customs and insufficient professional level</li> </ol>
Key opportunities (summarized for a defined scope: <b>Customs policy</b> )	<ol style="list-style-type: none"> <li>1. Unprecedented support from the key world leaders. Possibility of Ukraine's integration into the single customs space of the EU, provided that the criteria for the candidate country for joining the EU are met (including the implementation of EU customs legislation)</li> <li>2. Implementing new IT solutions, which are compatible with EU IT solutions, create new tools for developing a risk analysis system, ensuring a balance of control measures (border security) and simplification, as well as ensuring compliance with the criteria for the EU candidate country in terms of IT customs</li> <li>3. Introduction of a balance of border security (customs procedures) and partnership with companies, which apply compliance, have a positive customs history, reliable internal processes, etc. Reduction of smuggling, illegally imported goods, circulation of counterfeit goods</li> <li>4. Using the system of customs duties as a stimulating tool for long-term economic development and export increase; creation of clear and predictable rules for conducting foreign economic activity</li> </ol>



Impact of the war on the defined sphere of analysis:

	<ol style="list-style-type: none"> <li>1. Development of logistics, customs, and other infrastructure necessary for the development of foreign economic activity</li> <li>2. Enhancement movement of goods across the customs border and their subsequent customs clearance without losing the security function of customs at the border and in the international supply chain</li> <li>3. Achieving a high level of trust of business to customs authorities, providing qualified and competent personnel of customs authorities</li> </ol>
Key constraints (summarized for a defined scope: <b>Customs policy</b> )	<ol style="list-style-type: none"> <li>1. Unpredictability of the end of the war on the territory of Ukraine and the state of infrastructure: <ul style="list-style-type: none"> <li>- constant risks of increasing the destruction of logistics, customs and other infrastructure, the difficulty of planning its reconstruction</li> <li>- the need to consider business limitations on the restoration and development of foreign economic activity and export (lost or destroyed means of production, logistics, etc.)</li> <li>- difficulty in retaining labour resources; unpredictability in planning the maintenance, development, and extension of business; reduction of volumes and limitation of geography of markets</li> <li>- dependence from currency restrictions, currency fluctuations and unpredictability of trends in the financial market during the war)</li> </ul> </li> <li>2. Uneven workload at crossings points through the customs border and the need for more flexible tools for redistribution of customs staff</li> <li>3. Financing of necessary expenses in the conditions of sharp income decrease to the state budget and GDP of Ukraine due to the war</li> <li>4. Customs border security challenges will slow down accession to the EU's single customs market</li> <li>5. Insufficient level of investment and trade attractiveness of Ukraine, due to military activities on the territory of the state. Restrictions on business and government during the war</li> </ol>



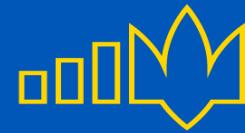
## 2. Goals, objectives, and stages of the Recovery Plan in the defined scope

### 2.1. Specific goals

	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
<b>1. Ensuring a unified approach to customs clearance of goods by the customs authorities of Ukraine.</b>			
Each stage's goal to be achieved to solve the problem	1.1. Prompt informing of traders and feedback on the practical application of customs legislation  1.2. Establishment and operation of customs competence units. Performing concrete or all customs formalities by other customs authorities  1.3. Improvement of the IT service for the publication of information on the goods classification  1.4. Approval of the Guidelines for the control over correct goods classification	1.1. June 2022 – December 2022 (for work with two directions of customs related issues)	1.1. January 2023 – December 2025 (for work with all directions of customs-related issues)  1.2. January 2023 – December 2025  1.3. – 1.4. January 2023 – December 2023
Deadline within the stage			
Risks for achieving the goal	Delayed development (procurement) of an appropriate IT solution, lack of sufficient qualified personnel to operate a	Lack of IT support for updating, setting up the system, lack of qualified personnel on focused customs issues.	



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
	Helpdesk and a structural unit for support (coordination), informing, and consulting		
Measurable indicator of goal achievement	<p>1.1. The Helpdesk is established to work within 2 areas of customs issues. It processes 500 requests per month</p> <p>Relevant software has been developed (procured) and deployed</p> <p>The user's feedback satisfaction level of the Helpdesk operation is more than 70%. The structural unit for support (coordination), informing and consulting has been set up</p> <p>One comprehensive (video tutorial, in-dept explanatory and presentation materials) and 6 short information materials are prepared per month. Improvement (solution) of at least 1 complicated problem issue per 3 months and 3 simple problem issues per month was organized and developed. After solving the problem issue, the Helpdesk has not received any request on this issue for at least 6 months</p> <p>The user's feedback satisfaction level of the structural unit for</p>	<p>1.1. The Helpdesk operation is extended to work with all areas of customs issues. It processes 2000 requests per month. The user's feedback satisfaction level of the Helpdesk operation is more than 70%</p> <p>Tree comprehensive (video tutorials, in-dept explanatory and presentation materials) and 20 short information materials are prepared per month. Improvement (solution) of at least 10 complicated problematic issues and 30 simple problematic issues per year was organized and developed. After solving the problem issue, the Helpdesk receives 1% of the previous number of requests on these issues for at least 6 months.</p> <p>The user's feedback satisfaction level of the structural unit for support (coordination), informing and consulting (average feedback from Helpdesk, customs</p>	



	Stage I: June 2022 – end of 2022	Stage II: January 2023 – December 2025	Stage III: January 2026 – December 2032
	<p>support (coordination), informing and consulting (average feedback from Helpdesk, customs authorities, users) is more than 70%</p>	<p>authorities, users) is more than 70%.</p> <p>1.2. The customs competencies units are set up and operating. Customs competencies units carry out customs clearance of 20% of customs declarations in the customs regime of import and 50% - in the customs regime of export. Final decisions not in favour of customs authorities are taken in no more than 10% of cases, in the case of administrative or judicial appeals against decisions made by customs competence units</p> <p>1.3. The IT service for publishing information on the goods classification has been improved</p> <p>1.4. The Guidelines on the correct goods classification control were approved by the State Customs Service</p>	
The total amount of financial resources required to achieve the goal	To be identified	To be identified	
Connection with other areas	Anti-corruption policy	Anti-corruption policy	
<b>2. Favourable conditions for foreign economic activity and national producer, decrease of customs clearance time, increase of throughput capacity at the border crossing points.</b>			



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
Each stage's goal to be achieved to solve the problem	<p>2.1. Implementation of the system of customs tax-payments as a stimulating tool for long-term economic development and increase of exports</p> <p>2.2. Increase of the efficiency of the automated risk management system (ASUR)</p> <p>2.3. Implementation of the technique on average time measurement for release of goods following the WCO technique</p> <p>2.4. Increase of the flow of goods through automobile border crossing points.</p> <p>2.5. Implementation of the "right to be heard" instrument during taking customs decisions and update of the administrative appeal procedure.</p> <p>2.6. Implementation of the on-line data exchange of the preliminary data with the EU member countries.</p> <p>2.7. Mutual exchange of the results of customs control with the customs authorities of other states and recognition of the results of such control during customs procedures</p>	<p>2.8. Granting customs simplifications to compliant companies according to Ukrainian legislation (including for companies with and without AEO status, as well as companies acting in the NCTS)</p> <p>2.9. Setting of state intermodal logistic centres with customs clearance options</p> <p>2.10. Arrangement of priority border crossing points, suspension of customs clearance at the western border due to Ukraine's accession to the EU</p>	<p>2.11. Implementation of other simplifications (customs and tax), in line with the EU countries.</p>



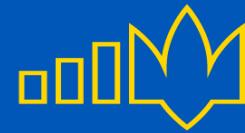
	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
Deadline within the stage	2.1. - 2.5. June 2022 – December 2022	2.3. January 2023 – June 2023 (regarding automatization and IT solution) 2.6. June 2022 – December 2025 2.7 June 2022 – June 2025 2.8 January 2023 – May 2023 2.9. - 2.10. January 2023 – December 2025	2.9. January 2026 – December 2032 2.10. January 2026 – December 2027 2.11. January 2026 – December 2028
Risks for achieving the goal	Administrative or organisational risk of implementation of the tasks (inconsistency of positions, lack of understanding between public authorities). Martial law related risks (destruction of the infrastructure, destruction of the communications, etc.) Risk of the absence of financing for strengthening the roads. Developed and introduced risk profiles don't match the tasks	Delayed development of the electronic system for granting of authorisations, insufficient understanding from traders of the benefits and AEO simplifications Unfavourable investment climate (risk of military actions to be continued, absence of progress in reforming of other areas, such as judicial and economic). Challenges in introduction of the single criteria for customs, tax and other simplifications, their mutual recognition and development of the relevant IT instrument	Unfavourable investment climate (risk of military actions to be continued, absence of progress in reforming of other areas, such as judicial and economic). Challenges in introduction of the single criteria for customs, tax and other simplifications, their mutual recognition and development of the relevant IT instrument
Measurable indicator of goal achievement	2.1. The customs tax-payment system as a stimulating approach for long-term development stage of the economics is implemented 2.2. 5 risk profiles are created. 8 risk profiles are updated.	2.3. Developed (procured) IT solutions for automation of measuring the average time of release of goods, which corresponds to the WCO methodology	2.9. 22 state intermodal logistics centres are established. 2.10. Suspension of customs control at the western border



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
	<p>The portion of customs declarations determined by ASUR (automated risk management system) for conduction of additional customs formalities makes 10% from the whole number of customs declarations subject to similar procedures.</p> <p>The effectiveness of customs inspections (actual detection of discrepancies) conducted at the initiative of a customs official is 10%, and to ensure the proper balance between the acceleration of customs clearance and control measures by the customs, the initiation of such inspections should not be less than 1% of the total submitted for customs clearance customs declarations.</p> <p>2.3. The order of the State Customs Service of Ukraine is adopted, which approves the method of measuring the average time for release of goods, which corresponds to the method approved by the WCO</p> <p>2.4. Ensuring the possibility of passing trucks with a capacity of more than 7.5 tons at the border crossing points "Uhryniv",</p>	<p>2.6. Preliminary customs information is exchanged with all neighbouring EU countries.</p> <p>2.7. Decisions on mutual exchange of results of the customs control activities with the customs authorities of other states are approved (adoption of legal acts).</p> <p>2.8. Developed (procured) and implemented software for the decision-making system of the customs authorities to provide simplifications and authorisations.</p> <p>Amendments to the order of the Ministry of Finance of Ukraine, which expands the possibility of application of simplifications for traders without the AEO status are developed and adopted (<i>this also relates to the adoption of amendments to the Law in accordance with the deliverable 3.2.</i>).</p> <p>Number of traders which received simplifications:</p> <ul style="list-style-type: none"> <li>- 20 – AEO simplifications;</li> </ul>	<p>2.11. Criteria for determination of the VAT taxpayers who have the right to charge import VAT in the monthly VAT return instead of paying VAT during customs clearance are developed and implemented (Article 211 of the EU Council Directive № 2006/112/EC of 28.11.2006).</p> <p>Software for mutual assessment and mutual recognition of identical criteria for customs and tax purposes is developed (procured) and implemented.</p>



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
	<p>"Hrushiv", "Dyakivtsi", "Krasnoiisk", "Mohyliv-Podilskyi". Ensuring the possibility of passing only passengers at the border crossing points "Bronnitsa"</p> <p>Construction and equipping of "Krasnoiisk" and "Dyakivtsi" border crossing points completed</p> <p>Unloading the main priority border crossing points and increasing their capacity at the border with the EU</p> <p>2.5. Amendments to the Customs Code of Ukraine adopted, which introduce the "right to be heard" during decision-making by the customs authorities and improve the procedure for administrative appeals</p> <p>2.6. The decision to conduct a pilot project for the exchange of preliminary customs information with the EU countries is approved (adoption of a legal act)</p> <p>2.7. The list of results of the customs control which are liable for transfer is agreed (the decision shall be based on results of consultations)</p>	<ul style="list-style-type: none"> <li>- 60 – simplifications without AEO status;</li> <li>- 80 – transit (NCTS) simplifications</li> </ul> <p>2.9. 4 state intermodal logistics centres are established</p> <p>2.10. Construction of 6 border crossing points. Modernisation and technical re-equipment of 12 customs border crossing points</p>	



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
The total amount of financial resources required to achieve the goal	To be identified	To be identified	To be identified
Connection with other areas	Anti-corruption policy	Infrastructure area Requests for international technical assistance	Infrastructure area Requests for international technical assistance
<b>3. Compliance of transit procedures in Ukraine with the rules of the Convention on a Common Transit Procedure that will ensure its accession and application of NCTS at the international level.</b>			
Each stage's goal to be achieved to solve the problem	<p>3.1. Completion of the final stage of international compliance testing of the operating national electronic transit system NCTS (Phase 4), Conformance testing, Mode 3.</p> <p>3.2. Amendments to the Customs Code of Ukraine to ensure the international application of the NCTS.</p> <p>3.3. Preparation, organization and conduct of the Monitoring Mission by the countries-parties of the Convention on a Common Transit Procedure and the Convention on the Simplification of Formalities in Trade in Goods.</p> <p>3.4. Receiving an official invitation and Ukraine's accession to the Convention on a Common Transit Procedure and the Convention on the</p>	3.6. Transition to NCTS (Phase 5) and subsequent phases according to the updated MASP-C plan.	



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
	<p>Simplification of Formalities in Trade in Goods.</p> <p>3.5. International application of NCTS (Phase 4) and provisions of the Conventions on the territory of Ukraine</p>		
Deadline within the stage	<p>3.1. June 2022 – July 2022</p> <p>3.2. June 2022 – December 2022</p> <p>3.3. July 2022 – September 2022</p> <p>3.4. October 2022 - December 2022</p> <p>3.5. December 2022</p>	<p>3.6. March 2023 - December 2023 (for NCTS Phase 5);</p> <p>Timeline for the subsequent phases to be clarified according to the updated MASP-C plan</p>	
Risks for achieving the goal	<p>Inconsistency of positions and lack of agreement on adopting relevant legislative changes.</p> <p>There is no possibility to organize a Monitoring Mission due to danger and / or due to military actions on the territory of Ukraine. Failure of Ukraine to fulfil the conditions provided for the participating country to the Conventions (inconsistency of the implemented measures).</p>	<p>Delayed transition to the application of the electronic transit system NCTS (Phase 5).</p>	
Measurable indicator of goal achievement	<p>3.1. The national electronic transit system conformance testing has been completed successfully.</p> <p>3.2. A draft law amending the Customs Code of Ukraine was</p>	<p>3.5. Ukraine applies NCTS (Phase 4) at the international level.</p> <p>3.6. Ukraine has transited to the application of NCTS (Phase 5) at the international</p>	



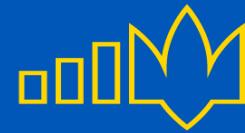
	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
	<p>adopted, which introduced the provisions of the Convention on a Common Transit Procedure referred to financial guaranteeing and other specific provisions (on transit, simplifications, etc.) to ensure the successful completion of the Monitoring Mission and its international application</p> <p>3.3. According to the results of the Monitoring Mission, a conclusion was obtained on Ukraine's compliance with the expected eligibility criteria, and it was recommended to invite Ukraine to become a party to the Convention on a Common Transit Procedure and the Convention on the Simplification of Formalities in Trade in Goods</p> <p>3.4. Ukraine has joined the Convention on a Common Transit Procedure and the Convention on the Simplification of Formalities in Trade in Goods</p> <p>3.5. Ukraine applies NCTS (Phase 4) at the international level</p>	<p>level. The transition measures for the NCTS (Phase 6) have been launched.</p>	
The total amount of financial resources required to achieve the goal	To be identified	The need for annual funding to gain access to the CCN / CSI (common communication	



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
		network / common system interface) and to procure, develop and maintain the necessary IT systems (NCTS and GMS, Phases 4, 5, 6)	
Connection with other areas	International technical assistance Anti-corruption policy	State Budget Expenditure Planning	
<b>4. Harmonisation of the customs legislation of Ukraine with the EU legislation.</b>			
Each stage's goal to be achieved to solve the problem	4.1. Adoption of already developed draft Laws on the implementation of certain provisions of the Union Customs Code  4.2. Development and adoption of the by-law acts on the procedure for execution of the customs formalities during the application of simplifications (for AEOs, traders without AEO status and within the NCTS)	4.3. Approximation of the rest of Ukraine's customs legislation in line with the EU legislation in accordance with Annex XV of the EU-Ukraine Association Agreement	4.4. Assessment of compliance of the customs legislation of Ukraine with the EU legislation, legislative settlement of the issues not covered by the Union Customs Code  4.5. Application of the EU customs legislation at national level (after accession to the EU)  4.6. Transition to the EU tariff classification system
Deadline within the stage	4.1. June 2022 - December 2022  4.2. December 2022	4.3. January 2023 - June 2024	4.4. after January 2026  4.5. after accession to the EU  4.6. from January 2026
Risks for achieving the goal	Administrative or organisational risk of implementation of the tasks (inconsistency of positions,	Administrative or organisational risk of implementation of the tasks (inconsistency of	Failure of Ukraine to meet the criteria for the candidate country to join the EU in terms of implementation of



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
	lack of understanding between public authorities)	positions, lack of understanding between public authorities)	customs legislation (inconsistency of the implemented legislation)
Measurable indicator of goal achievement	<p>4.1. 3 draft Laws on amendments to the Customs Code of Ukraine adopted</p> <p>4.2. 2 orders of the Ministry of Finance of Ukraine on the procedure for customs formalities during the application of simplifications (for AEO, traders without AEO status, and NCTS) developed and adopted</p>	<p>4.3. A new Customs Code of Ukraine developed and adopted. Positive feedback from the European Commission or international experts on its compliance with the EU customs legislation received. The necessary by-laws for the functioning of the provisions of the new Customs Code of Ukraine developed and adopted</p>	<p>4.4. The conclusion of the European Commission on compliance of the legislation of Ukraine with the customs legislation of the EU received</p> <p>4.5. Confirmation of Ukraine's fulfilment of the criteria for a candidate country for the EU membership. Repeal of certain provisions of the Customs Code of Ukraine and direct application of the EU Regulation (EC) № 952/2013 of the European Parliament and of the Council, the Delegated Regulation (EU) № 2015/2446, the Implementing Regulation № 2015/2447, as well as the EU Regulations № 1186/2009, № 608 / 2013, № 1352/2013 as part of the national legislation of Ukraine</p> <p>4.6. Direct application of the Council Regulation (EEC) №</p>



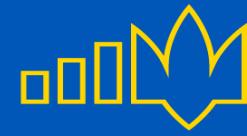
	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
			2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff
The total amount of financial resources required to achieve the goal	To be identified	To be identified	To be identified
Connection with other areas	The need to involve qualified specialists and international experts	The need to involve qualified specialists and international experts	The Ministry of Foreign Affairs and the European integration process. The need to involve qualified specialists and international experts
<b>5. Compliance of IT solutions / IT infrastructure with e-Customs and MASP-C.</b>			
Each stage's goal to be achieved to solve the problem	<p>5.1. Development of a long-term national strategic plan for digital development, digital transformation and digitalization of the State Customs Service and its territorial entities based on the multi-annual strategic plan for EU customs (MASP-C)</p> <p>5.2. Ensuring the support of IT infrastructure and the functioning of critical IT services of the customs, including the creation of a backup data centre and the purchase of appropriate server and network equipment, etc.</p>	<p>5.3. Development and implementation of new IT systems in the medium-term perspective</p>	<p>5.4. Development and implementation of other new IT systems in the long-term perspective</p>



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
Deadline within the stage	5.1. - 5.2. June 2022 – December 2022	5.3. January 2023 – December 2025	5.4. January 2026 – December 2032
Risks for achieving the goal	<p>The development of a national plan is a priority, but amendments might and should be promptly introduced to plan due to the war.</p> <p>Critical damage to communication channels and data processing infrastructure.</p> <p>Ensuring uninterrupted operation of IT systems even followed by interference in its work.</p> <p>Lack of financial and human resources to achieve all the goals set by the strategic plan</p>	Lack of financial and human resources	Lack of financial and human resources
Measurable indicator of goal achievement	<p>5.1. A long-term national strategic plan for digital development, digital transformation and digitalization of the State Customs Service based on MASP-C has been developed and approved</p> <p>5.2. Constant and trouble-free operation of the IT infrastructure and critical IT services of the State Customs Service with a period of unavailability of no more than 2-4 hours (depending on the level of failure)</p>	1.3. New IT systems have been developed, deployed and taken on account	5.4. New IT systems have been developed, deployed and taken on account



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
The total amount of financial resources required to achieve the goal	To be identified	To be identified	To be identified
Connection with other areas	Anti-corruption policy	International technical assistance Anti-corruption policy Public administration Digitalisation	International technical assistance
<b>6. Decrease of the amount of illegally imported goods, circulation of counterfeit goods.</b>			
Each stage's goal to be achieved to solve the problem	6.1. Improving the security function of the customs and improving of institutional capabilities of customs authorities by (but not limited with) criminalization of commodities' smuggling and granting customs authorities with the right of providing of operative intelligence activity and pre-trial investigation in smuggling-related criminal proceedings	6.2. Implementation of the practical steps regarding the increasing of the institutional capabilities of the customs authorities for counteracting illegal movement of goods through the customs border 6.3. Development and implementation of the measures for making impossible the selling of the illegally imported goods with tax evasion and circulation of the counterfeit goods on the territory of Ukraine 6.4. Arranging of mutual operative information exchange regarding the aspects of the external economic operations (quantity of goods, its description and cost) and	6.7. Creation of the Police and Customs cooperation centres (PCCC) in accordance with the respective EU guidelines. Connection of such Centres to the international law-enforcement information exchange system



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
		<p>possible regulation's violations with Customs authorities of foreign states</p> <p>6.5. Establishment of the new groups of the port control in the border crossing points with Poland, Hungary, Romania and Slovakia</p> <p>6.6. Adoption of the new Customs Code of Ukraine, in which, among other provisions, there shall be prescribed the types of non-criminal violations of customs regulations and punishment for such violations, description of administrative proceedings following the EU best practices</p>	
Deadline within the stage	6.1. November 2022	<p>6.1. June 2023 - December 2023</p> <p>6.2. September 2023 – February 2024</p> <p>6.3.- 6.5. January 2023 - December 2025</p> <p>6.6. January 2023 – December 2024</p>	<p>6.1. June 2026 - December 2026</p> <p>6.2. January 2026 – December 2026</p> <p>6.7. January 2026 – December 2027</p>
Risks for achieving the goal	Risk of the administrative-organizational execution of the tasks (inconsistency of the positions, lack of mutual understanding between different	Risk of the administrative-organizational execution of the tasks (inconsistency of the positions, lack of mutual understanding between different	Problems during the negotiation process regarding the connection to the information exchange system.



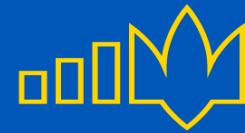
	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
	authorities responsible for execution)	different authorities responsible for execution).	Problems within the development and implementation of the IT solution (lack of financing, inconsistency of the structure and data format etc)
Measurable indicator of goal achievement	6.1. The law regarding the commodities' smuggling criminalization is adopted	<p>6.1. Customs authorities received the right to perform the operative intelligence functions</p> <p>6.2. Operative intelligence units of the customs authorities are created</p> <p>6.3. The procedure of mandatory destruction of counterfeit goods, detected by the customs authorities is implemented</p> <p>6.4. The State Customs Service and 6 customs are connected to the EU system of the operative information exchange regarding possible violations</p> <p>6.5. The new groups of port control are established at the border crossing points with Poland, Hungary, Romania and Slovakia</p> <p>New groups of the port control are equipped with the technical</p>	<p>6.1. Customs authorities received the right to provide pre-trial investigation of the smuggling-related criminal proceedings</p> <p>6.2. The criminal investigation units of the customs authorities are formed</p> <p>6.7. Connection to the system of EUROPOL's operative information exchange system is granted via the SIENA software.</p>



	Stage I: June 2022 – end of 2022	Stage II: January 2023 – December 2025	Stage III: January 2026 – December 2032
		<p>means of customs control and computers, connected to the ContainerComm software</p> <p>6.6. The new Customs Code is adopted. It prescribes, alongside with other norms, types of administrative violations of the customs legislation and punishment for such violations;</p> <p>regulation of administrative proceedings of the cases on customs legislation violation following the EU best practice</p>	
The total amount of financial resources required to achieve the goal	To be identified	To be identified	To be identified
Connection with other areas	<p>Law-enforcement activity</p> <p>Anti-corruption policy</p>	<p>Tax policy and economic policy.</p> <p>Law-enforcement activity</p>	Law-enforcement activity
<b>7. Enhancement of the international customs cooperation, increasing of the level of proficiency, combating corruption in the customs.</b>			
Each stage's goal to be achieved to solve the problem	<p>7.1. Enhancement of the international customs cooperation in the frame of the World Customs Organization (WCO)</p> <p>7.2. Development and implementation of the new system of KPIs for the State Customs Service with development (procurement) of</p>	<p>7.5. Development and assurance of the systematic studying of the customs authorities' personnel in cooperation with the EU customs institutions</p> <p>7.6. Implementation of the EU's Customs competency Framework</p>	



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
	<p>IT solution for automation of the process if their monitoring</p> <p>7.3. Forming of the HR capacity for fast filling of the vacancies due to forced movement of customs personnel, lack of personnel and mobilization</p> <p>7.4. Evaluation of the qualification and virtue of the personnel of the customs authorities. Development of the new personnel motivation system which will stimulate to perform their duties with the best quality and virtue</p>		
Deadline within the stage	<p>7.1. June 2022 – December 2022</p> <p>7.2. October 2022 – December 2022</p> <p>7.3. June 2022 – December 2022</p> <p>7.4. July 2022 - December 2022</p>	<p>7.1. January 2023 – December 2025</p> <p>7.2. January 2023 – December 2023</p> <p>7.4. January 2023 – February 2024</p> <p>7.5. January 2023 - December 2025</p> <p>7.6. January 2025 – December 2025</p>	<p>7.1. January 2026 – December 2032</p> <p>7.6. January 2026 - December 2026</p>
Risks for achieving the goal	Inconsistency of the positions of different authorities	Lack of necessary financing and conditions for the studying because of the war continuation	

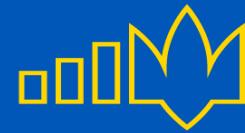


	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
Measurable indicator of goal achievement	<p>7.1. The access of the customs authorities to the information with the decisions and recommendations of the WCO committees is granted</p> <p>7.2. New system of KPIs is developed and approved</p> <p>7.3. HR actions regarding the movement of customs personnel from the temporary occupied territories and combat zone for the filling of the 90% of vacancies are executed</p> <p>7.4. The law regarding the implementation of the performance review of the customs personnel is adopted. The Resolution of the Cabinet of Ministers implementing new system of motivation of the customs personnel to perform their duties with high quality and responsibility is adopted</p>	<p>7.1. The respective officers (customs attaché) are appointed in two countries (at least)</p> <p>7.2. Automated monitoring of the KPIs is implemented</p> <p>7.5. 90% of the customs authorities' personnel are involved into systematic studying in cooperation with the EU customs institutions.</p> <p>7.6. The system of customs competency is developed on the basis of the EU Customs Competency Framework</p>	<p>7.1. Three representatives of Ukraine (at least) work in the WCO's secretariat and other institutions</p> <p>7.6. The system of customs competence of the EU is introduced in the apparatus of the State Customs Service and its territorial entities</p>
The total amount of financial resources required to achieve the goal	To be identified	To be identified	To be identified
Connection with other areas	<p>Public administration</p> <p>Anti-corruption policy</p>	<p>Necessity of the involvement of the qualified professionals and international experts</p> <p>Anti-corruption policy</p>	Anti-corruption policy



## 2.2. The current stage of implementation of program documents:

Item of the plan	Name of the program document	Current status
1.	<u>Program of activities of the Cabinet of Ministers of Ukraine:</u> 6.3. Customs reform <ul style="list-style-type: none"> <li>- Reforming and developing the system of authorities implementing state customs policy.</li> <li>- Minimization of human impact and automation of processes.</li> <li>- Implementation of the program of the authorized economic operator.</li> <li>- Development of institutional capacity of customs authorities in terms of application of technical means of customs control.</li> <li>- Application of systematic and comprehensive customs control procedures towards risk operations based on the results of risk analysis.</li> <li>- Ukraine's accession to the EU / EFTA Transit Procedure and the establishment of a transit system that supports effective customs control, uses modern technologies in controlling the delivery of goods.</li> <li>- Creation of a system to promote the protection of intellectual property rights.</li> <li>- Implementation of the provisions of the EU customs legislation in the Customs Code of Ukraine in accordance with the Association Agreement.</li> <li>- Signing of new agreements and intensification of information exchange under existing agreements with neighbouring countries and Ukraine's largest trading partners on the exchange of preliminary customs information.</li> <li>- Cooperation at the managerial and operational level between customs administrations and neighbouring countries.</li> </ul>	Under implementation
2.	<u>National Economic Strategy 2030.</u> Stream "International Economic Policy and Trade": <ul style="list-style-type: none"> <li>- Update of the customs information system and digitalization of the customs infrastructure.</li> <li>- Modernize border infrastructure and ensure effective customs regulation.</li> </ul>	Under implementation



3.	<u>Strategy for Reforming the Public Financial Management System for 2022-2025</u> Section "Customs system"	Under implementation
4.	<u>Integrated Border Management Strategy until 2025</u> Section "International Cooperation" (measures on establishment of the exchange of information with foreign customs authorities; approximation of customs legislation to EU standards)	Under implementation
5.	<u>Strategy for Digital Development, Digital Transformation and Digitalization of the Public Finance Management System until 2025</u>	Under implementation

2.3. Determining tasks for achieving goals from subsection 2.1 (for every goal):

Nº	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
<b>1.1.</b> Prompt informing of traders and feedback on the practical application of customs legislation			
Stage I: June 2022 – December 2022			
1.1.1	Expansion of the NCTS Helpdesk personnel, optimization of technological resources and tools to ensure the operating of the NCTS Helpdesk to perform advisory and methodological functions (in particular, submission of electronic applications for various customs matters by traders)	June 2022 – July 2022	Change in the number of customs authorities, using human resources of suspended customs authorities or customs authorities located in the territory with reduced trade activity and goods flow
1.1.2	Establishing of a competent structural unit (assignment of a function to an existing unit), responsible (from two issues within the Helpdesk competence) for:	June 2022 – July 2022	Change in the number of customs authorities, using human resources of suspended customs authorities or customs authorities located in the



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
	<ul style="list-style-type: none"> <li>- capturing problematic issues and feedback from the Helpdesk, managing their solution, and preparation of proposals for legislative settlement of such matters;</li> <li>- coordination of customs authorities on issues related to the Helpdesk;</li> <li>- preparation of explanatory and other materials for the Helpdesk.</li> </ul>		territory with reduced trade activity and goods flow
1.1.3	Amending organizational and administrative documents to ensure the interaction between the competent structural unit (task 1.1.2), the Helpdesk, and other State Customs Service units	June 2022 – July 2022	
1.1.4	Preparation of comprehensive information materials (video tutorials, in-depth explanatory and presentation materials) based on previous experience	June 2022 – August 2022	Funding for video tutorials
1.1.5	Training for new employees of the Helpdesk and the competent structural unit	July 2022	
1.1.6	Preparing technical requirements, designing, and implementing the Helpdesk IT system to provide advisory and methodological functions	June 2022 – December 2022	Resources for IT development
1.1.7	Managing and capturing feedback (from the Helpdesk, customs authorities, and users) on the operation of Helpdesk and the relevant structural unit	December 2022	Anti-corruption policy
Stage II: January 2023 – December 2025			
1.1.8	Determining the need and human resources expansion of the Helpdesk and of the competent structural unit to gradually provide support for users, Helpdesk and customs authorities on all customs matters.	October 2022 October 2023 October 2024	Change in the number of customs authorities by optimizing processes on other issues



Nº	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
1.1.9	Training for new employees of the Helpdesk and the competent structural unit	January 2023 January 2024 January 2025	
1.1.10	Modernization of the Helpdesk IT solution for the phased implementation of the necessary functionality on additional customs matters	July 2022 – December 2025 following the schedule of connection of new IT solutions for customs clearance and control	Resources for IT development
1.1.11	Managing and capturing feedback (from the Helpdesk, customs authorities, and users) on the operation of Helpdesk and the relevant structural unit	Once a year	Anti-corruption policy
1.1.12	Preparation of comprehensive information materials (video tutorials, in-depth explanatory and presentation materials) based on previous experience	At least once a quarter	Funding for video tutorials and e-learnings
<b>1.2. Establishment and operation of customs competence units. Performing concrete or all customs formalities by other customs authorities.</b>			
Stage II: January 2023 – December 2025			
1.2.1	<p>Introduction of processes where some or all customs formalities are performed by officials of a customs authority other than the customs authority to which the goods are presented (customs formalities, including those that require extra knowledge, are performed by the customs competence units of other customs authorities).</p> <p>Determining the procedure for the operating of customs competence units and the procedure for redistribution of functions for the implementation of customs formalities by customs officials of another customs authority to ensure:</p> <ul style="list-style-type: none"> <li>- maximum savings of traders' financial/time resources while performing customs formalities,</li> </ul>	January 2023 – June 2023	



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
	<ul style="list-style-type: none"> <li>- efficient customs control of goods by the customs authorities 'existing human resources rational use,</li> <li>- corruption counteraction.</li> </ul>		
1.2.2	Human resources expansion of customs competence units	June 2023– December 2023	Change in the number of customs authorities, using human resources of suspended customs authorities or customs authorities located in the territory with reduced trade activity and goods flow
1.2.3	Providing IT support for the operating of customs competence units	January 2023 – December 2025	International technical assistance
1.2.4	Re-establishment in a frame of a pilot project of competence centres operations in some customs authorities for performing particular customs formalities for defined types of goods	January 2023 – December 2023	
1.2.5	Providing technical capability and expanding the list of customs formalities to be performed by customs competence units	January 2023 – December 2025	International technical assistance
1.2.6	Providing technical capability and expanding the scope of the centres of competence	January 2023 – December 2025	International technical assistance
1.2.7	Providing technical capability and expanding the functions of the centres of competence	January 2023 – December 2025	International technical assistance
<b>1.3. Improvement of the IT service for the publication of information on the goods classification.</b>			
Stage II: January 2023 – December 2025			
1.3.1	Improvement of the IT service on the goods classification information disclosure, particularly on the goods classification decisions search, including previous decisions, as well as	January 2023 – December 2023	International technical assistance



Nº	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
	generalization of courts' cases of the goods classification, and the results of relevant documentary control, performed by customs authorities		Anti-corruption policy
<b>1.4.</b> Approval of the Guidelines for the control over correct goods classification.			
Stage II: January 2023 – December 2025			
1.4.1	Approval of the Guidelines for the control over correct goods classification (including consideration of judicial practice on the goods classification by the customs authorities) by the State Customs Service order	January 2023 – December 2023	
<b>2.1.</b> Implementation of the system of customs tax-payments as a stimulating tool for long-term economic development and increase of exports.			
Stage I: June 2022 - December 2022			
2.1.1	Consideration by the Verkhovna Rada of Ukraine of the draft Law of Ukraine №7418 on "Amendments to the Customs and Tax Codes of Ukraine on restoration of customs payments"	June 2022 - September 2022	Similar activity - WG on "Infrastructure Restoration and Development"
2.1.2	Development of the draft Law "On amendments to the Customs Tariff of Ukraine, including the introduction of duty exemption and the possibility of applying a reduced rate of duty to goods placed under the end-use procedure" (up to 0%, End use) and its approval with international experts and the European Commission (if possible)	June 2022 - October 2022	Similar measures regarding the introduction of reduced duty rates (up to 0%): WG on "Reconstruction and Development", WG on "Economic Recovery and Development", WG on "New Agricultural Policy", WG on "Culture and Information Policy"
2.1.3	Consideration by the Verkhovna Rada of Ukraine of the draft Law "On Amendments to the Customs Tariff of Ukraine, including the introduction of duty exemption and the possibility of applying a	November 2022 - December 2022	



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
	reduced rate of duty to goods placed under the end-use procedure (End use)"		
<b>2.2. Increase of the efficiency of the automated risk management system (ASUR)</b>			
Stage I: June 2022 - December 2022			
2.2.1	Creation of new and updating of existing risk profiles, ensuring common approaches to the practical implementation of risk management measures by customs, prevention of cases of unjustified and ineffective customs inspections, sampling and sampling of goods, initiated by a customs official	June 2022 - December 2022	Anti-corruption policy
2.2.2	Carrying out analysis and risk assessment according to the information specified in the Entry Summary Declaration, both with the use of the automated risk analysis system (ASUR) as well as customs officers of the customs authority, to which the Entry Summary Declaration is submitted, using non-automated risk criteria	June 2022 - December 2022	Anti-corruption policy
<b>2.3. Implementation of the technique on average time measurement for release of goods following the WCO technique</b>			
Stage I: June 2022 - December 2022			
2.3.1	Adoption of the order of the State Customs Service of Ukraine on the introduction of the technique for the average time measurement of release of goods, following the WCO technique	June 2022 - December 2022	
Stage II: January 2023 - December 2025			
2.3.2	Development of technical requirements, design and implementation of IT system for the introduction of the technique for the average time measurement of release of goods	January 2023 - June 2023	
<b>2.4. Increase of the flow of goods through automobile border crossing points</b>			
Stage I: June 2022 - December 2022			



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
2.4.1	<p>Negotiations with related parties:</p> <p>1) Poland: regarding the change of classification (possibility of passing trucks with a carrying capacity of more than 7,5 tons) of "Uhryniv" and "Hrushiv" border crossing points and equipping them with stationary scanning systems for trucks from Poland;</p> <p>2) Romania: regarding the change of classification (possibility of passing trucks with a carrying capacity of more than 7,5 tons) at the "Dyakivtsi" and "Krasnoiisk" border crossing points. Negotiations with related parties;</p> <p>3) Moldova: on changing the classification of the border crossing points:</p> <ul style="list-style-type: none"> <li>- "Mohyliv-Podilskyi" (possibility of passing trucks with a carrying capacity of more than 7,5 tons, conversion to exclusively freight traffic);</li> <li>- "Bronnytsia" (re-profiling exclusively for passenger service).</li> </ul>	June 2022 - July 2022	State Customs Service of Ukraine Ministry of Foreign Affairs
2.4.2	<p>Preparation of draft amendments to the Government decrees on opening border crossing points mentioned in paragraph 2.5.1 in terms of changing their classification, preparation, approval and amendment of the relevant agreements on border crossing points in the form of exchange of notes between Ukraine and neighbouring countries</p>	October 2022 - December 2022	State Customs Service of Ukraine Ministry of Foreign Affairs Ministry of Finance of Ukraine
2.4.3	<p>Determining the need to provide such border crossing points with technical means of customs control, ways to finance their procurement and installation</p>	June 2022 - July 2022	State Customs Service of Ukraine Ministry of Finance of Ukraine
2.4.4	<p>Completion of the overhaul of the highway T-26-08 "Storozhynets -border crossing point "Krasnoiisk", and T-26-04 "Chernivtsi - Hertz - Dyakivtsi", as well as their further exploitation</p>	June 2022 - September 2022	Ministry of Infrastructure of Ukraine Ministry of Finance of



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
			Ukraine
2.4.5	Completion of construction and equipping of "Krasnoilsk" and "Dyakivtsi" border crossing points	October 2022 - December 2022	State Customs Service of Ukraine Local State Administrations State Border Service of Ukraine Ministry of Finance of Ukraine
<b>2.5. Implementation of the "right to be heard" instrument during taking customs decisions and update of the administrative appeal procedure</b>			
Stage I: June 2022 - December 2022			
2.5.1.	Review and adoption of the draft Law of Ukraine № 7420 "On amendments to the Customs Code of Ukraine" by the Verkhovna Rada of Ukraine	June 2022 - December 2022	Anti-corruption policy
<b>2.6. Implementation of the on-line data exchange of the preliminary data with the EU member countries</b>			
Stage I: June 2022 - December 2022			
2.6.1.	Finalisation of consultations with the Directorate General of the EU "Taxation and Customs" (DG TAXUD) on the coordination of exchange procedures, data sets intended for transmission, functionality and requirements for the exchange of data sets, data protection	June - December 2022	Anti-corruption policy
2.6.2.	Testing the technical conditions of the organisation of information exchange	June - December 2022	Anti-corruption policy



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
2.6.3.	Formalisation of the decision to conduct a pilot project on the exchange of preliminary customs information with EU countries (adoption of a legal act)	December 2022	Pilot project supported by the EU countries Anti-corruption policy
Stage II: January 2023 - December 2025			
2.6.4.	Adoption of the Guidelines by the SCS on the use of preliminary information during customs control in order to implement the formalised decision on the pilot project for the exchange of preliminary customs information with the EU countries	January 2023 - March 2023	Anti-corruption policy
2.6.5.	Introduction of the pilot project for the exchange of preliminary customs information with the determined/several EU countries	March 2023 - December 2024	Anti-corruption policy
2.6.6.	Full-scale implementation of the decision (based on the results of the pilot project, related parties take the necessary measures to optimise information exchange in order to organise the exchange on regular basis)	January 2025 - December 2025	Anti-corruption policy
<p><b>2.7.</b> Mutual exchange of the results of customs control with the customs authorities of other states and recognition of the results of such control during customs procedures</p>			
Stage I: June 2022 - December 2022			
2.7.1.	Consultations with the customs authorities of neighbouring countries to agree on the possibility of exchanging the results of customs control	June 2022 - November 2022	Support of the neighbouring countries Anti-corruption policy



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
2.7.2.	Approval of the list of results of customs control to be transferred (scanning, weighing, sampling (samples), etc.) under the support of the customs authorities of neighbouring countries	December 2022	Anti-corruption policy
Stage II: January 2023 - December 2025			
2.7.3.	Analysis and elaboration of the possibility of concluding additional agreements on information interaction and development of specifications - protocols for automated information exchange	January 2023 - December 2023	Anti-corruption policy
2.7.4.	Formalisation of decisions on mutual exchange of results of customs control with customs authorities of other states	December 2023	Anti-corruption policy
2.7.5.	Adoption by the State Customs Service of Ukraine of the Guidelines on the exchange of results of customs control with the customs authorities of other states and recognition of the results of such control during customs procedures in order to implement the formalized decisions	January 2024 - March 2024	Anti-corruption policy
2.7.6.	Consultations with the customs authorities of neighbouring countries, with which there is a formalized decision on mutual exchange of results of customs control, to agree on the possibility of recognizing the results of such control during customs procedures to avoid their double application	April 2024 - December 2024	Support of the neighbouring countries Anti-corruption policy
2.7.7.	Subject to support, formalisation of decisions on mutual recognition of the results of customs control during customs procedures	January 2025 - June 2025	Anti-corruption policy



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
<b>2.8.</b> Granting customs simplifications to compliant companies according to Ukrainian legislation (including for companies with and without AEO status, as well as companies acting in the NCTS).			
Stage II: January 2023 - December 2025			
2.8.1	Developed (procured) and implemented software for customs decision-making system for granting simplifications and authorizations	January 2023 - December 2023	
2.8.2	The Resolution of the Cabinet of Ministers of Ukraine adopted to expand the possibility of obtaining simplifications for traders without the AEO status and to introduce gradation of criteria of financial standing indicators/coefficients depending on the share of coverage of the base amount of the general financial guarantee by the guarantor	January 2023 - March 2023	
2.8.3	Development and adoption of amendments to the order of the Ministry of Finance of Ukraine, which expands the possibility of applying simplifications for traders without the AEO status (related to the adoption of amendments to the by-law in accordance with the goal, mentioned in the deliverable 3.2.)	January 2023 - May 2023	
<b>2.9.</b> Setting of state intermodal logistic centres with customs clearance options.			
Stage II: January 2023 - December 2025			
2.9.1	Development of the concept and principles of creating state intermodal logistics centres	2023	Review and adoption of new by-law acts
2.9.2	Development of projects for the creation of state intermodal logistics centres	2023	Infrastructure area
2.9.3	Construction and equipping of 4 state intermodal logistics centres, including those equipped with intelligent video surveillance systems, automatic reading and recognition of vehicle numbers, weighing systems, automatic barriers, traffic lights.	January 2023 - December 2025	Infrastructure area



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
Stage III: January 2026 - December 2032			
2.9.4	Construction and equipping of 22 state intermodal logistics centres, including those equipped with intelligent video surveillance systems, automatic reading and recognition of vehicle numbers, weighing systems, automatic barriers, traffic lights	January 2026 – December 2032	Infrastructure area
<b>2.10.</b> Arrangement of priority border crossing points, suspension of customs clearance at the western border due to Ukraine's accession to the EU			
Stage II: January 2023 - December 2025			
2.10.1	Analysis and list development of priority border crossing points for construction/reconstruction, as well as modernisation/technical re-equipment	January 2023	
2.10.2	Creation of a plan of complex development / modernization, arrangement of existing, creation of new border crossing points on the customs border of Ukraine	January 2023	
2.10.3	Development of projects for construction/reconstruction/modernisation/technical re-equipment of priority border crossing points	February 2023 – October 2023	Infrastructure area
2.10.4	Construction/reconstruction/modernisation/technical re-equipment, including equipping border crossing points with intelligent video surveillance systems, systems of automatic reading and recognition of vehicle numbers, automatic weighing systems, automatic barriers, traffic lights	January 2024 – December 2024	
Stage III: January 2026 - December 2032			
2.10.5	Analysis of the needs for the availability and operation of border crossing points on the western border of Ukraine	January 2026 - May 2026	



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
2.10.6	Formation of the list of priority border crossing points on the northern and eastern border of Ukraine for arrangement, construction/reconstruction/modernisation/technical re-equipment	January 2026 - May 2026	
2.10.7	Development of projects for construction/reconstruction/modernisation/technical re-equipment of priority border crossing points	June 2026 - December 2026	
2.10.8	Construction/reconstruction/modernisation/technical re-equipment, including equipping border crossing points with intelligent video surveillance systems, systems of automatic reading and recognition of vehicle numbers, automatic weighing systems, automatic barriers, traffic lights	January 2027 - December 2027	
2.10.9	Suspension of customs control at border crossing points on the western border	After joining the EU	
<b>2.11.</b> Implementation of other simplifications (customs and tax), in line with the EU countries.			
Stage III: January 2026 - December 2032			
2.11.1	Extending the software of the customs decision-making system to all customs simplifications provided for by the Union Customs Code	January 2026 - December 2027	International technical assistance
2.11.2	Development and coordination with the European Commission, adoption of a by-law which will amend the Tax Code of Ukraine to introduce criteria for determining taxpayers who have the right to accrue import VAT in the monthly VAT return, instead of paying this tax during customs clearance (Article 211 of the Council Directive EU № 2006/112/EU of 28.11.2006)	January 2026 - March 2027	Tax policy
2.11.3	Development of technical requirements, design and implementation of the IT system for mutual assessment and mutual recognition of identical criteria for customs and tax purposes	April 2027 - December 2028	Tax policy



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
<p><b>3.1.</b> Completion of the final stage of international compliance testing of the operating national electronic transit system NCTS (Phase 4), Conformance testing, Mode 3.</p>			
Stage I: June 2022 – December 2022			
3.1.1	Completion of the final stage of the international Conformance testing, Mode 3 of the operating national electronic transit system of Ukraine with the systems of the five countries party to the Convention on a Common Transit Procedure, which began in May 2022	June 2022	International technical assistance Anti-corruption policy
3.1.2	Obtaining an opinion from DG TAXUD on the results of the final stage of the international Conformance testing Mode 3 of the operating national electronic transit system	June 2022 – July 2022	Anti-corruption policy
<p><b>3.2.</b> Amendments to the Customs Code of Ukraine to ensure the international application of the NCTS.</p>			
Stage I: June 2022 – December 2022			
3.2.1	The development and adoption of a draft law on amendments to the Customs Code of Ukraine on financial guarantees, transit, simplifications, the right to be heard on decisions by customs authorities, etc., which is necessary for the successful completion of the Monitoring Mission and international application of the Convention on Common Transit Procedure, coordination with central executive bodies and adoption of bylaws	June 2022 – December 2022	Anti-corruption policy
<p><b>3.3.</b> Preparation, organization and conduct of the Monitoring Mission by the countries-parties of the Convention on a Common Transit Procedure and the Convention on the Simplification of Formalities in Trade in Goods</p>			
Stage I: June 2022 – December 2022			
3.3.1	Organization of safe and successful completion of the monitoring mission, following which Ukraine will be officially invited to accede to the Convention	July 2022 – September 2022	Anti-corruption policy



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
3.3.2	The beginning of practical application of the financial guarantee institution for transit operations. Work with national guarantors to prepare for the international application of the NCTS (Phase 4), particularly on the need for resources to ensure the validity of issued guarantees at the EU and other common transit countries' territories (network of agents/representatives in other countries)	from July 2022	Anti-corruption policy
3.3.3	The beginning of practical application of transit simplifications (authorized consignor/consignee)	from September 2022	Anti-corruption policy
<b>3.4.</b> Receiving an official invitation and Ukraine's accession to the Convention on a Common Transit Procedure and the Convention on the Simplification of Formalities in Trade in Goods			
Stage I: June 2022 – December 2022			
3.4.1	Receiving an official invitation to Ukraine to accede to the Convention on a Common Transit Procedure and the Convention on the Simplification of Formalities in Trade in Goods	October 2022 – November 2022	Anti-corruption policy
3.4.2	Ukraine's accession to the Convention on a Common Transit Procedure and to the Convention on the Simplification of Formalities in Trade in Goods	December 2022	Anti-corruption policy
<b>3.5.</b> International application of NCTS (Phase 4) and provisions of the Conventions on the territory of Ukraine			
Stage I: June 2022 – December 2022			
3.5.1	The transition from national to international application on the territory of Ukraine of the NCTS (phase 4) and the provisions of the Convention on a Common Transit Procedure in connection with Ukraine's accession to the Convention in question	December 2022	Anti-corruption policy
<b>3.6.</b> Transition to NCTS (Phase 5) and subsequent phases according to the updated MASP-C plan.			
Stage II: January 2023 – December 2025			



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
3.6.1	Implementation and national testing of NCTS (Phase 5)	March 2023 – July 2023	International technical assistance
3.6.2	International conformance testing of NCTS (Phase 5)	July 2023 – September 2023	
3.6.3	Transition to NCTS (Phase 5) application in Ukraine	September 2023 – November 2023	
3.6.4	Full-scale international application of NCTS (Phase 5) on the territory of Ukraine	starting December 2023	
<b>4.1.</b> Adoption of already developed draft Laws on the implementation of certain provisions of the Union Customs Code			
Stage I: June 2022 - December 2022			
4.1.1	Adoption in the second reading and as a whole of the draft Law "On Amendments to the Customs Code of Ukraine to regulate the procedure for submission of customs declarations in respect of goods falling under various commodity subheadings according to UKTZED", in accordance with the Union Customs Code (№ 4517)	June 2022 - September 2022	
4.1.2	Review and adoption by the Verkhovna Rada of Ukraine of the draft Law on "Amendments to the Customs Code of Ukraine to bring the procedure for determining the country of origin of goods in line with the Union Customs Code" (№ 5353)	June 2022 - September 2022	
4.1.3	Review and adoption by the Verkhovna Rada of Ukraine of the draft Law on "Introduction of simplification system for traders without AEO status, "right to be heard" rule during decision-making by customs authorities, improvement of appeals system, introduction of end-use procedure" (reduction of duty rate to 0% for targeted use, end-use procedure; registered by the Verkhovna Rada of Ukraine under № 7420 31 May 2022)	June 2022 - August 2022	Similar activities regarding the introduction of reduced duty rates (up to 0%): WG on "Infrastructure Restoration and Development", WG on "Economic Recovery and Development", WG on "New Agricultural Policy", WG on "Culture and Information



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
			Policy". The application of reduced VAT rates requires additional elaboration (a separate subgroup on "Tax Policy")
<b>4.2.</b> Development and adoption of the by-law acts on the procedure for execution of the customs formalities during the application of simplifications (for AEOs, traders without AEO status and within the NCTS)			
Stage I: June 2022 - December 2022			
4.2.1	Development and adoption of the order of the Ministry of Finance on the procedure for customs formalities during the application of the AEO simplifications	December 2022	
4.2.2	Development and adoption of the order of the Ministry of Finance on the procedure for customs formalities during the application of transit simplifications in the common transit regime	December 2022	
<b>4.3.</b> Approximation of the rest of Ukraine's customs legislation in line with the EU legislation in accordance with Annex XV of the EU-Ukraine Association Agreement			
Stage II: January 2023 - December 2025			
4.3.1	Development and coordination with the European Commission, adoption of the draft of the new Customs Code of Ukraine version in accordance with the Regulation of the European Parliament and of the Council № 952/2013, Delegated Regulation (EU) № 2015/2446, EU Implementing Regulation № 2015/2447, EU Regulations (1186/2009, № 608/2013, № 1352/2013	January 2023 - December 2023	
4.3.2	Development and adoption of other Ukrainian by-law acts, necessary for implementation of the point 4.3.1 above	July 2023 - June 2024	
<b>4.4.</b> Assessment of compliance of the customs legislation of Ukraine with the EU legislation, legislative settlement of the issues not covered by the Union Customs Code			



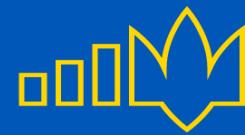
№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
Stage III: January 2026 - December 2032			
4.4.1	Analysis of Ukrainian legislation on compliance with the EU legislation	After January 2026	
4.4.2	Analysis of the practical application of the adopted legislative changes	After January 2026	
4.4.3	Development and adoption of the draft Law of Ukraine "On customs practice in Ukraine", which regulates the legal status of customs authorities, service and other functions in customs authorities, types of violations or customs offences, as well as liability for such offenses, judicial/appeal proceedings (entry into force after Ukraine's accession to the EU).).	After January 2026	
4.4.4.	Obtaining an opinion of the European Commission on the compliance of Ukrainian legislation with the EU customs legislation.	Since January 2026	
<b>4.5.</b> Application of the EU customs legislation at national level (after accession to the EU).			
Stage III: January 2026 - December 2032			
4.5.1	Cancellation of the Customs Code of Ukraine and direct application of Regulation (EC) № 952/2013 of the European Parliament and of the Council, Delegated Regulation (EU) № 2015/2446, EU Implementing Regulation № 2015/2447, EU Regulations № 1186/2009, № 608/2013, № 1352/2013 as part of the national legislation of Ukraine.	After joining the EU	
4.5.2	Approval of national by-law documents for the purpose of practical implementation of the provisions of the EU Customs Code and other relevant EU regulations on the territory of Ukraine	After joining the EU	
<b>4.6.</b> Transition to the EU tariff classification system.			
Stage III: January 2026 - December 2032			



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
4.6.1	Setting of a working group to study the possibility of transition to the classification system in accordance with the EU Combined Nomenclature and the EU Integrated Tariff ("TARIC")	From January 2026	
4.6.2	Development by the working group of proposals for the unification of approaches to the classification of goods and ensuring the direct application of Council Regulation (EEC) № 2658/87 of 23 July 1987 and their implementation	From January 2026	
4.6.3	The project of the Ukrainian tariff classification (UKTZED) is developed on the basis of the version of the Harmonized system of 2027 at the level of the first six numbers and the Combined Nomenclature of the EU at the level of the seventh and eighth numbers	From January 2027	
4.6.4	Amendments to the Ukrainian tariff classification (UKTZED) in connection with the changes made by the World Customs Organisation to the Harmonised System, as well as the European Union to the Combined Nomenclature (draft law)	From January 2027	
4.6.5	Direct application of Council Regulation (EEC) № 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff	After joining the EU	
<p><b>5.1.</b> Development of a long-term national strategic plan for digital development, digital transformation and digitalization of the State Customs Service and its territorial entities based on the multi-annual strategic plan for EU customs (MASP-C).</p>			
Stage I: June 2022 – December 2022			
5.1.1	Analysis of the multi-annual strategic plan for customs (MASP-C)	June 2022 - September 2022	Establishment of the working group
5.1.2	Preparation and approval of a long-term national strategic plan for digital development, digital transformation and digitalization of the	September 2022 - December 2022	Preparation of a roadmap on amendments to the legislation



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
	State Customs Service and its territorial entities in accordance with the roadmap on amendments to the legislation		Anti-corruption policy
5.1.3	Elaboration of a request to donors to finance the implementation of a long-term national IT development plan	November 2022 - December 2022	International technical assistance
<b>5.2.</b> Ensuring the support of IT infrastructure and the functioning of critical IT services of the customs, including the creation of a backup data centre and the purchase of appropriate server and network equipment, etc.			
Stage I: June 2022 – December 2022			
5.2.1	Development of data processing infrastructure: creation of a backup modular data processing centre, located in the western regions of Ukraine, purchase and installation of server and network equipment for it; modernization of current data centre equipment; planning the transition to the cloud services in Ukraine (for example, the private cloud SUDF)	From June 2022	International technical assistance
5.2.2	Development of the Institutional Telecommunication Network of the State Customs Service: expanding the capacity (speed) of the main and backup communication channels of the State telecommunications network; modernization of network equipment for centralized management and analytics of network infrastructure at the central level.	From June 2022	International technical assistance
5.2.3	Creating a safe cyberspace of the State Customs Service: use of hardware and software complex of secure access to the Internet, including protection of web services of the State Customs Service, first of all "Single window for international trade"	From June 2022	International technical assistance
<b>5.3.</b> Development and implementation of new IT systems in the medium-term perspective.			
Stage II: January 2023 – December 2025			



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
5.3.1	Planning and allocation of budget and resources for the development of new IT systems, including systems for working with financial guarantees	January 2023 - June 2023	International technical assistance
5.3.2	Establishment of a structure for the implementation, monitoring and coordination of new IT systems, including systems for working with financial guarantees	January 2023 - June 2023	
5.3.3	Preparation of technical specifications, development of the software of IT systems, including systems for working with financial guarantees, as well as methods of acceptance tests, conducting acceptance tests (testing), launch of pilot and training of users (end user and IT specialists)	June 2023 - December 2025	Implementation of new IT systems in accordance with national legislation Anti-corruption policy
5.3.4	Joining the discussion of the new MASP-C together with EU countries	From 2023	Ukraine's participation in e-Customs working groups Anti-corruption policy
<b>5.4. Development and implementation of other new IT systems in the long-term perspective.</b>			
Stage III: January 2026 – December 2032			
5.4.1	Budget planning to support systems	January 2026 - June 2026	Synchronization of the national budget and the donor budget
5.4.2	Budget planning for the development of new IT systems based on the updated MASP-C plan	June 2026 - December 2026	Synchronization of the national budget and the donor budget Anti-corruption policy



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
5.4.3	Preparation of technical specifications, development of the software of IT systems, methods of acceptance tests, carrying out of acceptance tests (testing), start of pilot and training of users (end user and IT specialists)	January 2027 - December 2032	Implementation of new IT systems in accordance with national legislation Anti-corruption policy
<p><b>6.1.</b> Improving the security function of the customs and improving of institutional capabilities of customs authorities by (but not limited with) criminalization of commodities' smuggling and granting customs authorities with the right of providing of operative intelligence activity and pre-trial investigation in smuggling-related criminal proceedings.</p>			
Stage I: June 2022 – December 2022			
6.1.1	Adopting of the Law "On changes to the Criminal and Criminal procedure codes of Ukraine regarding the criminalization of smuggling of goods and excisable goods.	November 2022	Law-enforcement activity
6.1.2	Implementation of the strict distinction of the rights and functions of the law enforcement agencies in the customs control zones regarding goods and transport which are under the customs control	November 2022	Law-enforcement activity Anti-corruption policy
Stage II: January 2023 – December 2025			
6.1.3	Development and adopting of the law regarding the changes into the Criminal procedure code of Ukraine and into the Law on operative intelligence activity regarding the granting the operative intelligence functions to the customs authorities aimed on combating smuggling (in particular smuggling of commodities) <i>(related to the execution of the tasks of point 6.1.1)</i>	June 2023 - September 2023	Law-enforcement activity
6.1.4	Development and adopting of the respective bylaws which are necessary for the practical realization of the law which grants customs authorities with the operative intelligence activity rights	October 2023 - December 2023	Law-enforcement activity
Stage III: January 2026 – December 2032			
6.1.5	Development and adopting of the law on the changes into the Criminal procedure code regarding granting the units of State	June 2026 - September 2026	Law-enforcement activity



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
	Customs Service the right of investigation of the all smuggling-related crimes ( <i>related to the execution of the tasks of point 6.1.1</i> )		In case of realization of points 6.2.1. – 6.2.3.
6.1.6	Development and adopting of respective bylaws needed for the practical realization of the law which grants customs authorities with the right of investigation of all smuggling-related crimes	October 2026 - December 2026	Law-enforcement activity In case of realization of points 6.2.1. – 6.2.3.
<b>6.2.</b> Implementation of the practical steps regarding the increasing of the institutional capabilities of the customs authorities for counteracting illegal movement of goods through the customs border.			
Stage II: January 2023 – December 2025			
6.2.1	Creation of the operative intelligence units in the customs authorities ( <i>related to the execution of the tasks of point 6.1.3</i> )	September 2023 – December 2023	
6.2.2	Training of the respective customs officers for the forms and ways of operative intelligence, recruitment of new personnel ( <i>related to the execution of the tasks of point 6.1.3</i> )	September 2023 – December 2023	
6.2.3	Technical equipment of the operative units of the customs authorities, including the transportation means, communication equipment, individual protection equipment, special operative equipment and weapon	September 2023 – February 2024	
Stage III: January 2026 – December 2032			
6.2.4	Development and adopting of the law on changes to the article 38 of the Criminal procedure Code of Ukraine (creation of the investigation units in customs authorities for investigation of all smuggling-related crimes, including article 198 (only regarding the cases, when the object of crime is the object of smuggling), 201, 305 of the Criminal Code of Ukraine)	January 2026 – August 2026	



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
6.2.5	Creation and equipment of the investigation units in the customs authorities	September 2026 – December 2026	
6.2.6	Training of the respective customs officers for the forms and ways of pre-trial investigation of crimes, recruitment of new personnel	November 2026 – December 2026	International technical assistance
<p><b>6.3.</b> Development and implementation of the measures for making impossible the selling of the illegally imported goods with tax evasion and circulation of the counterfeit goods on the territory of Ukraine.</p>			
Stage II: January 2023 – December 2025			
6.3.1	Increasing of the institutional capacity of the customs authorities in combating the counterfeit by granting the customs authorities the right to detect and seize them in internal market (on example of some EU member-states) in cooperation with other state authorities.	January 2023 – December 2023	Economic policy Law-enforcement activity
6.3.2	Establishment of the procedure of mandatory destruction of the counterfeit goods detected by the customs authorities both during the movement via the customs border or during realization in the internal market.	January 2023 – December 2023	Justice
6.3.3	Establishment of the mechanisms of detection of goods in the commercial turnover which don't have the confirmation of legality of their import to the Ukrainian territory and implementation of the sanctions for selling such goods (excluding the realization of used goods of such type by the physical persons without the signs of the business activity). In particular, designation of the respective authority for such activity and legislation prescription of the rights and functions of the customs authorities in such activity.	January 2023 – December 2025	Economic policy Law-enforcement activity
<p><b>6.4.</b> Arranging of mutual operative information exchange regarding the aspects of the external economic operations (quantity of goods, its description and cost) and possible regulation's violations with Customs authorities of foreign states.</p>			
Stage II: January 2023 – December 2025			



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
6.4.1	Establishment of the operative information exchange about possible violations of customs legislation with customs authorities of other states (Poland, Hungary, Slovakia, Romania)	January 2023 - December 2023	International relations Eurointegration
6.4.2	Establishment of the information exchange about the characteristics of goods with customs authorities of other states (Poland, Hungary, Slovakia, Romania)	January 2025 - December 2025	International relations Eurointegration
<b>6.5. Establishment of the new groups of the port control in the border crossing points with Poland, Hungary, Romania and Slovakia</b>			
Stage II: January 2023 – December 2025			
6.5.1	Signing of the Memorandum of understanding between the State Customs Service, State Border Guard Service, National police, Security Service of Ukraine and United Nations Office for Drugs and Crimes regarding the involvement into the Container Control Program	January 2023 - December 2023	Law-enforcement activity International relations
6.5.2	Establishment of the new groups of the port control in the border crossing points with Poland, Hungary, Romania and Slovakia including officers of the State Customs Service, State Border Guard Service, National police, Security Service of Ukraine. HR and technical equipment of the groups of port control. Studying of the personnel of the port control groups	January 2024 - December 2024	Law-enforcement activity International relations
6.5.3	Involvement of the newly-established groups of the port control into the Interregional network of the Customs authorities and port control groups in the framework of the realization of the Memorandum about the establishment of the Interregional network of customs services and port control groups of 22.05.2019. Connection to the customs authorities and port control groups network using the ContainerComm	January 2025 - December 2025	Law-enforcement activity International relations
<b>6.6. Adoption of the new Customs Code of Ukraine, in which, among other provisions, there shall be prescribed the types of non-criminal violations of customs regulations and punishment for such violations, description of administrative proceedings following the EU best practices</b>			



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
Stage II: January 2023 – December 2025			
6.6.1	Development and adopting of the new Customs Code of Ukraine, which includes inter alia the administrative violations of the customs legislation and punishment for them, procedures of administrative proceedings in such cases using the EU best practices ( <i>related to the task 4.3.1</i> )	January 2023 – December 2023	
6.6.2	Organization of the study events for the customs authorities' personnel, responsible for combating customs offences for practical work in line with the new Customs code	From January 2024	
6.6.3	Establishment of the awareness of the citizen regarding the changes on the administrative responsibility for the violation of customs legislation	From January 2024	
<p><b>6.7.</b> Creation of the Police and Customs cooperation centres (PCCC) in accordance with the respective EU guidelines. Connection of such Centres to the international law-enforcement information exchange system</p>			
Stage III: January 2026 – December 2032			
6.7.1	Establishment of the Police and Customs Cooperation Centre (PCCC) in accordance with the European guidelines regarding the best practices for the PCCC (EU document 9105/11 of 15/04/2011)	From January 2026	Law-enforcement activity
6.7.2	Connection of the PCCC to the EUROPOL's system of law-enforcement information exchange with the secure information exchange software SIENA	From January 2026	Law-enforcement activity
6.7.3	Connecting of the territorial operative units of the State Customs Service to the EUROPOL's law enforcement information exchange with SIENA software via the PCCC	From December 2027	Law-enforcement activity
<p><b>7.1.</b> Enhancement of the international customs cooperation in the frame of the World Customs Organization (WCO)</p>			
Stage I: June 2022 – December 2022			



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
7.1.1	Activation of the cooperation between Ministry of Finance, State Customs Service and WCO, granting the access of the customs authorities to information regarding decisions and recommendations of the WCO committees, in particular regarding the customs value and classification	June 2022 – December 2022	International relations
Stage II: January 2023 – December 2025			
7.1.2	Taking efforts aimed on appointment of the diplomats with functions of customs representative on parity basis in the states which have strategic importance for Ukraine in terms of development of international trade and international customs cooperation	January 2023 – December 2025	International relations
7.1.3.	Taking measures by the State Customs Service to obtain WCO permission to post on the website of the State Customs Service information on decisions and recommendations of WCO profile committees and relevant texts in the original language	From January 2023	International activity, dependence on the availability of funding
Stage III: January 2026 – December 2032			
7.1.4.	Work of Ukraine's representatives in the WCO's Secretariat and other institutions	January 2026 – December 2032	International relations
<p><b>7.2.</b> Development and implementation of the new system of KPIs for the State Customs Service with development (procurement) of IT solution for automation of the process of their monitoring</p>			
Stage I: June 2022 – December 2022			
7.2.1	Development of the draft of the new system of KPIs for the State Customs Service and its territorial units and its approval with the Ministry of Finance. The system in particular must contain evaluation of the effectiveness of decisions and actions of customs authorities (percent of decisions which made in favour of customs or in favour of its counterpart in result of appeal; resultativity of the	June 2022 – October 2022	Anti-corruption policy



Nº	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
	customs inspections; effectiveness of the automated system of risk control; effectiveness of the work of post-customs control, planning and execution of documental checks etc)		
Stage II: January 2023 – December 2025			
7.2.2	Forming of the requirements and organization of the implementation of IT system for automated monitoring of KPIs	January 2023 – July 2023	International technical assistance Anti-corruption policy
7.2.3	Implementation of the pilot project in the framework of the test operation of IT system for automated monitoring of the KPIs. Improving of the IT system's operation	July 2023 – September 2023	International technical assistance Anti-corruption policy
7.2.4	By-stage spreading of use of the new system of KPIs and IT system for their monitoring	September 2023 – December 2023	Anti-corruption policy
<b>7.3. Forming of the HR capacity for fast filling of the vacancies due to forced movement of customs personnel, lack of personnel and mobilization</b>			
Stage I: June 2022 – December 2022			
7.3.1	Conducting of the HR actions regarding the movement of customs service personnel from the temporary occupied territories and combat zone for ensuring of fast filling of the vacancies, caused by mobilization	June 2022 – December 2022	
7.3.2	Conducting of the steps for selection of qualified personnel aimed on involvement of the new motivated high-quality personnel for filling the operative HR needs of customs authorities in personnel who are able to perform their duties professionally	June 2022 – December 2022	
<b>7.4. Evaluation of the qualification and virtue of the personnel of the customs authorities. Development of the new personnel motivation system which will stimulate to perform their duties with the best quality and virtue</b>			
Stage I: June 2022 – December 2022			



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
7.4.1	Discussion and adopting the Law on changes to the Customs code regarding the establishment of the attestation of the customs officers	July 2022 - December 2022	State governance Anti-corruption policy
7.4.2	Drafting and adopting of the Act of the Cabinet of Ministers regarding the order of organization and making the attestation of the customs officers	October 2022 - December 2022	State governance Anti-corruption policy
Stage II: January 2023 – December 2025			
7.4.3	Development and approval by the Resolution of the Cabinet of Ministers of the system of motivation which takes into account results of qualification improvement, KPIs reaching and system of reaction in case of non-reaching the KPIs and recognition of decisions and actions of the customs officers as ineffective, groundless and as those which caused losses to the subject of external economic activity	January 2023 – July 2023	Anti-corruption policy
7.4.4	Reform of internal security units of the State Customs Service for the possibility of use of operative intelligence activity and disclosure of cases when customs officers are involved into illegal activity and assisting violation of customs legislation ( <i>related to the execution of the tasks of point 6.1.3</i> )	September 2023 – February 2024	Anti-corruption policy
<b>7.5.</b> Development and assurance of the systematic studying of the customs authorities' personnel in cooperation with the EU customs institutions.			
Stage II: January 2023 – December 2025			
7.5.1	Development and realization of the study programs for the personnel with taking into account of the current and future priorities of activity of the State Customs Service	January 2023 - December 2025	Anti-corruption policy
7.5.2	Conducting of the systematic studying of the customs personnel in cooperation with the EU customs authorities aimed on ensuring the	January 2023 - December 2025	Anti-corruption policy



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
	excellent execution of duties (study programs about the EU customs legislation; digital learning resources of EU (Customs & Tax EU Learning Portal) and WCO (CLiKC!); practical implementation of the programs of AEO, NCTS etc)		
<b>7.6. Implementation of the EU's Customs competency Framework</b>			
Stage II: January 2023 – December 2025			
7.6.1	Development of the system of customs competencies based on the EU system of customs competencies (EU Customs Competency Framework)	January 2025 – December 2025	Anti-corruption policy
Stage III: January 2026 – December 2032			
7.6.2	By-stage implementation of the system of customs competencies in the State Customs Service and its territorial units	January 2026 - December 2026	Anti-corruption policy



### 3. List of national projects corresponding with tasks under Section 2.3 (for the relevant task)

Project description to the task under Section 2.3	Project justification	Qualitative indicators of project implementation	Economic effect (impact on GDP, budget, employment, etc.)	Responsible authority	Required financing (million UAH)	Proposed sources of financing	Regulatory support	Related area of EU regulation (in general)
MASP-C	<p><u>Major:</u> The need to develop IT solutions compatible with EU IT solutions, in parallel with the harmonization of national customs legislation with EU legislation (criteria for Ukraine's membership in the EU).</p> <p><u>Extras:</u> 1) unfavourable conditions for</p>	The analysis of the current state of IT development in the State Customs Service in terms of subsystems, modules, components, comparison of functionality with defined systems of customs authorities of the EU in the MASP-C, development of a matrix of steps to develop new (refinement)	Implementing new IT solutions that are compatible with EU IT solutions creates new tools for developing a risk analysis system, ensuring a balance of control (security) and simplification for users.	State Customs Service (development of the plan, its further implementation), Ministry of Finance (coordination)	Approximately UAH 300 million. (depending on the number of IT systems to be developed or refined). Detailed estimates will be determined based on the results of the analysis of compliance of IT systems and determination of the list of priority tasks for development (modification)	International technical assistance, state budget, national informatization program, other sources of funding not prohibited by law	Approved (by order of the Ministry of Finance) long-term national strategic plan for digital development, digital transformation and digitalization the State Customs Service and its territorial entities based on the EU's multi-annual strategic plan for customs (MASP-C). The draft long-term plan must first be considered by the Steering Committee on information technology in the public finance	There are three purposes for defining projects and electronic systems aimed at performing the following tasks: 1) harmonized exchange of information on the basis of internally adopted data models and message formats; 2) reorganization of customs and related processes to increase their efficiency, effectiveness and uniform application and to reduce compliance costs; 3) granting business entities with a number of electronic customs services, enabling



Project description to the task under Section 2.3	Project justification	Qualitative indicators of project implementation	Economic effect (impact on GDP, budget, employment, etc.)	Responsible authority	Required financing (million UAH)	Proposed sources of financing	Regulatory support	Related area of EU regulation (in general)
	foreign economic activity; 2) the lack of a unified approach to customs clearance of goods in different customs authorities of Ukraine; 3) significant time spent on customs formalities.	of existing) customs control and clearance information systems and establishment of integration with EU customs systems.  A step-by-step long-term national strategic plan for digital development, digital transformation and digitalization of the State Customs Service and its territorial					management system	them to interact equally with the customs authorities of any Member State.



Project description to the task under Section 2.3	Project justification	Qualitative indicators of project implementation	Economic effect (impact on GDP, budget, employment, etc.)	Responsible authority	Required financing (million UAH)	Proposed sources of financing	Regulatory support	Related area of EU regulation (in general)
		entities has been developed. The IT system of the State Customs Service has been developed and implemented in accordance with the long-term national strategic plan for digital development, digital transformation and digitalization of the State Customs Service and						

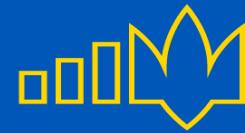


Project description to the task under Section 2.3	Project justification	Qualitative indicators of project implementation	Economic effect (impact on GDP, budget, employment, etc.)	Responsible authority	Required financing (million UAH)	Proposed sources of financing	Regulatory support	Related area of EU regulation (in general)
		its territorial entities.						
Arrangement of priority border crossing points across the state border of Ukraine	Construction, reconstruction, modernization and technical re-equipment (overhaul, scanning systems, intelligent video surveillance system, weighing systems) of border crossing points	Construction of 6 border crossing points Modernization and technical re-equipment of 12 border crossing points	Increasing the volume of trade flow through border crossing points by 20%	State Customs Service Ministry of Finance regional state administrations	UAH 5 091,9 million (approved by the CMU Resolution of 24.03.2021 № 246-r for 2022-2023)	State budget or other sources of funding not prohibited by law	Action Plan for the construction of priority border crossing points approved by the Government (currently approved by the CMU Resolution of 24.03.2021 № 246-r for 2021-2023)	Infrastructure sphere

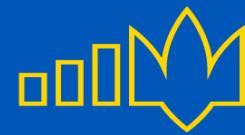


## 4. The necessity of legal amendments

<b>Nº</b>	<b>Name of the regulatory act for the task from subsection 2.3</b>	<b>Content of development and changes to the regulatory act</b>	<b>State authority</b>	<b>Deadline for development</b>	<b>Deadline for entry into force</b>
1.1.2	Order of the State Customs Service (amendments; approval by the Minister of Finance of Ukraine)	<p>Creation of a separate structural unit in the State Customs Service, responsible for:</p> <ul style="list-style-type: none"> <li>- collection of problematic issues and feedback from the Helpdesk, organization of their solution and preparation of proposals for legislative settlement of such issues;</li> <li>- coordination of customs authorities in matters related to the competence of the Helpdesk;</li> <li>- preparation of explanatory and other materials for the Helpdesk</li> </ul>	State Customs Service Ministry of Finance	June 2022 - July 2022	31 July 2022
1.1.1	Order of the State Customs Service (amendments; approval by the Ministry of Finance)	Expansion of the staff of the NCTS Helpdesk to provide additional opportunities for consultations on the use of IT services of the State Customs Service (in particular, the submission of electronic applications by foreign trade entities in various areas). Identification of the staff number of a separate structural unit established in accordance with paragraph 1.1.2.	State Customs Service Ministry of Finance	June 2022 – July 2022	31 July 2022
1.1.3	Order of the State Customs Service	Amendments to organizational and administrative documents (regulations on subdivisions, etc.) to ensure the interaction of the responsible structural subdivision (task 1.1.2), Helpdesk and other separate subdivisions of the State Customs Service	State Customs Service	June 2022 – July 2022	31 July 2022
1.1.8	Order of the State Customs Service (approval by the Ministry of Finance)	Identify the need and expand the staff of the Helpdesk and the responsible structural unit to gradually provide support to users, Helpdesk and customs authorities on all customs issues	State Customs Service Ministry of Finance	October 2022 October 2023 October 2024	31 October 2022 31 October 2023 31 October 2024



1.2.1	Order of the State Customs Service (new)	<p>Adoption of an order of the State Customs Service to perform certain or all customs formalities by officials of a customs authority other than the customs authority to which the goods are presented (units of customs competence of other customs authorities to perform customs formalities, including those requiring special knowledge).</p> <p>Determining the procedure for the functioning of units of customs competence and the procedure for redistribution of functions for the implementation of customs formalities by officials of another customs authority in order to ensure:</p> <ul style="list-style-type: none"> <li>- maximum savings of financial and time resources of the business for customs formalities,</li> <li>- effective customs control of goods with the rational use of available human resources of customs authorities,</li> <li>- fighting corruption.</li> </ul>	State Customs Service	January 2023 – June 2023	30 June 2023
1.2.2	Order of the State Customs Service (approval by the Ministry of Finance)	Expansion of the staff number of customs competence units	State Customs Service Ministry of Finance	June 2023 – December 2023	31 December 2023
1.2.5	Order of the State Customs Service (amendments)	Ensuring technical capacity and expanding the list of customs formalities to be performed by customs competence units	State Customs Service	January 2023 – December 2025	31 December 2025
1.2.6	Order of the State Customs Service (amendments)	Providing technical capacity and expanding the scope of work of the centres of competence	State Customs Service	January 2023 – December 2025	31 December 2025
1.2.7	Order of the State Customs Service (amendments)	Ensuring technical capability and expanding the functions provided by the centres of competence	State Customs Service Ministry of Finance	January 2023 – December 2025	31 December 2025



	Order of the Ministry of Finance (if necessary)				
1.4.1	Order of the State Customs Service (new)	Approval by the order of the State Customs Service of Guidelines on the control over the correctness of the classification of goods (including the consideration by the customs authorities of judicial practice on the classification of goods).	State Customs Service	January 2023 - December 2023	31 December 2023
2.1.2	Draft Law of Ukraine	Development of a draft law on amendments to the Customs Tariff of Ukraine, including the introduction of duty exemption and the possibility of applying a reduced rate of duty to goods placed under the procedure of end use (End use) and its coordination with international experts and the European Commission (if possible)	Ministry of Economy of Ukraine Ministry of Finance of Ukraine State Customs Service of Ukraine	June 2022 - October 2022	October 31, 2022
2.2.2	Order of the State Customs Service of Ukraine	Carrying out analysis and risk assessment according to the information specified in the general declaration of arrival, both with the use of ASUR and officials of the customs authority to which the Entry Summary Declaration is submitted, using non-automated risk criteria.	State Customs Service of Ukraine	June 2022 - December 2022	31 December 2022
2.3.1	Order of the State Customs Service of Ukraine (separate or the new one)	Adoption of the order of the State Customs Service on the introduction of a method for measuring the average time of release of goods, which corresponds to the method of the WCO	State Customs Service of Ukraine	June 2022 - December 2022	31 December 2022
2.4.2	The Resolution of the Cabinet of Ministers (at least amendments)	Preparation of draft amendments to the Government's instructions on opening border crossing points referred to in paragraph 2.5.1 in terms of changing their classification, preparation, approval and amendment of the relevant agreements on border crossing points in the form of exchange of notes between Ukraine and neighbouring countries.	State Customs Service of Ukraine Ministry of Foreign Affairs	October 2022 - December 2022	31 December 2022



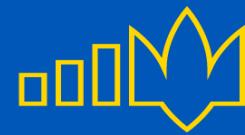
2.5.1 3.2.1 4.1.3	Draft Law of Ukraine (developed, registration № 7420 of 31.05.2022)	Approval and adoption by Verkhovna Rada of Ukraine of the draft Law of Ukraine № 7420 on amendments to the Customs Code of Ukraine: <ul style="list-style-type: none"> <li>- changes in transit and financial security required for the international application of the Convention on the common transit procedure and the NCTS;</li> <li>- expanding the possibility of applying simplifications for enterprises without the status of AEO;</li> <li>- introduction of the end-use procedure;</li> <li>- introduction of the "right to be heard" during decision-making by customs authorities and improvement of the administrative appeal procedure</li> </ul>	Verkhovna Rada of Ukraine	June 2022 - December 2022	31 December 2022
2.6.3	International agreement between other countries involved and Ukraine	Formalisation of the decision to conduct the pilot project on the exchange of preliminary customs information with EU countries (adoption of a by-law act, if necessary)	Ministry of Foreign Affairs Ministry of Economy of Ukraine Ministry of Finance of Ukraine State Customs Service of Ukraine	December 2022	31 December 2022
2.6.4	Order of the State Customs Service of Ukraine (separate or the new one)	Adoption by the State Customs Service of Methodological recommendations on the use of preliminary information during customs control in order to implement the formalized decision to conduct a pilot project for the exchange of preliminary customs information with EU countries	State Customs Service of Ukraine	January - March 2023	31 March 2023
2.6.5	Order of the State Customs Service of Ukraine (separate or the new one)	Introduction of the pilot project on the exchange of preliminary customs information at the level of individual EU countries	The State Customs Service of Ukraine	March 2023 - December 2024	31 December 2024
2.6.6	Order of the State Customs Service of	Full-scale implementation of the decision (based on the results of the pilot project and agreement with the	State Customs Service of Ukraine	January - December 2025	31 December 2025



	Ukraine (separate or the new one)	related parties to take the necessary measures to optimise information exchange in order to organize the exchange on an ongoing basis).			
2.7.4	International agreement between other countries involved and Ukraine	Formalisation of decisions on mutual exchange of results of customs control with customs authorities of other states	State Customs Service of Ukraine	December 2023	31 December 31, 2023
2.7.5	Order of the State Customs Service of Ukraine (separate or the new one)	Adoption by the State Customs Service of Ukraine of the Methodological recommendations on the exchange of results of customs control with the customs authorities of other states and recognition of the results of such control during customs procedures in order to implement the formalised decisions	State Customs Service of Ukraine	January - March 2024	March 31, 2024
2.7.7	International agreement between other countries involved and Ukraine	Subject to support, formalisation of decisions on mutual recognition of the results of customs control during execution of customs procedures	State Customs Service of Ukraine	January - June 2025	June 30, 2025
2.8.2	Resolution of the Cabinet of Ministers Ukraine (or amendments to the active one)	The Resolution of the Cabinet of Ministers of Ukraine adopted to expand the possibility of obtaining simplifications for traders without the AEO status and to introduce gradation of criteria of financial solvency coefficients, which depend on the share of coverage of the basic amount of the comprehensive financial guarantee	Ministry of Finance of Ukraine The State Customs Service of Ukraine	January 2023 - March 2023	March 31, 2023
2.8.3	Order of the State Customs Service of Ukraine (amendments)	Development and adoption of amendments to the order of the Ministry of Finance of Ukraine, which expanded the possibility of applying simplifications for traders without the AEO status (related to the adoption of amendments to the by-law mentioned in accordance with the task in the point 3.2 above)	Ministry of Finance of Ukraine	January 2023 - May 2023	May 31, 2023



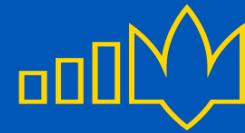
2.9.1	Resolution of the Cabinet of Ministers Ukraine (shall be developed and adopted)	Development of the concept and principles of creating intermodal logistics centres	Ministry of Infrastructure of Ukraine Ministry of Finance of Ukraine State Customs Service of Ukraine	2023	December 31, 2023
2.9.2	Resolution of the Cabinet of Ministers Ukraine	Development of projects for the creation of intermodal logistics centres	Ministry of Infrastructure of Ukraine State Customs Service of Ukraine Regional State Administrations	2023	December 31, 2023
2.9.3	Resolution of the Cabinet of Ministers Ukraine	Construction and equipment of 26 intermodal logistics centres, including those equipped with intelligent video surveillance systems, automatic reading and recognition of vehicle numbers, weighing systems, automatic barriers, traffic lights.	The Ministry of Infrastructure of Ukraine State Customs Service of Ukraine	January 2023 - December 2025	December 31, 2025
2.9.4	Resolution of the Cabinet of Ministers Ukraine	Constructing and equipping 22 state intermodal logistics centres, including those equipped with intelligent video surveillance systems, automatic capturing and recognition of vehicle license plates, weighing systems, automatic barriers, and traffic lights.	Ministry of Infrastructure State Customs Service	January 2026 - December 2032	31 December 2032
2.10.2	CMU order № 246-p of 24.03.2021 (amendments)	Preparation of a plan for comprehensive development/modernization, arrangement of existing border crossing points, and establishment of new ones at the customs border of Ukraine.	Ministry of Infrastructure Ministry of Finance State Customs Service	January 2023	31 January 2023
2.10.4	CMU Order	Construction/reconstruction, modernization/technical re-equipment, including equipping border crossing points with intelligent video surveillance systems, automatic	Ministry of Infrastructure	2024 – 2025	31 December 2025



		capturing and recognition of vehicle license plates, weighing systems, automatic barriers, and traffic lights	State Customs Service		
2.10.8	CMU Order	Construction/reconstruction, modernization/technical re-equipment, including equipping border crossing points with intelligent video surveillance systems, automatic capturing and recognition of vehicle license plates, weighing systems, automatic barriers, and traffic lights	Ministry of Infrastructure State Customs Service Regional State Administrations	January 2027 – December 2027	31 December 2027
2.10.9	CMU Order	Termination of customs control at border crossing points on the western border	Ministry of Infrastructure State Customs Service	since joining the EU	
2.11.2	The draft Law	Development and coordination with the European Commission, adoption of a draft law amending the Tax Code of Ukraine to introduce criteria for determining taxpayers who are entitled to charge import VAT in the monthly VAT return instead of paying tax during customs clearance (Article 211 of the COUNCIL DIRECTIVE EU № 2006/112/EU of 28.11.2006)	State Tax Service Ministry of Finance	January 2026 – March 2027	31 March 2027
3.2.1	CMU Resolutions MoF Orders	Development, coordination with central executive bodies and adoption of bylaws, the adoption of which follows from the draft law of Ukraine № 7420 of 31.05.2022	Ministry of Finance State Customs Service	June 2022 – December 2022	31 December 2022
3.4.2	The draft Law (the new one)	Ukraine's accession to the Convention on a Common Transit Procedure and to the Convention on the Simplification of Formalities in Trade in Goods (Draft Law of Ukraine on Accession to the Convention on a Common Transit Procedure of 1987 and Accession to the Convention on the Simplification of Formalities in Trade in Goods of 1987)	Ministry of Foreign Affairs	December 2022	31 December 2022
4.1.1	Draft Law (№ 4517 of 18.12.2020)	Adopting in second reading of the Law on the adjustment of the procedure of customs declaration filling for goods, which may align with different positions	Parliament	June 2022 - September 2022	30 September 2022



		of the UKTZED (Ukrainian Classification of Goods for Foreign Economic Activity) in accordance with EU Customs Code (№ 4517)			
4.1.2	Draft Law (№ 5353 of 08.04.2021)	Adopting of the Law on changes to the Customs code of Ukraine regarding the adjustment of the procedure of designation of the country of origin of goods in accordance with the EU Customs code (№ 5353)	Parliament	June 2022 - December 2022	31 of December 2022
4.2.1	Order of the Ministry of Finance (new)	Development and adopting of the Order of the Ministry of Finance regarding the execution of customs formalities during the use of simplified process for AEO	Ministry of Finance State Customs Service	December 2022	31 of December 2022
4.2.2	Order of the Ministry of Finance (new)	Development and adopting of the Order of Ministry of Finance regarding the order of execution of customs formalities during the use of transit simplification in the NCTS regime	Ministry of Finance State Customs Service	December 2022	31 of December 2022
4.3.1 6.6.1	Draft Law (new)	Development and agreement with the European Commission and adopting of the new Customs code of Ukraine: - in accordance with Regulation (EU) № 952/2013 of the European Parliament and Council, EU Commission delegated regulation № 2015/2446, EU Commission implementing regulation № 2015/2447, EU Council regulation № 1186/2009, № 608/2013, № 1352/2013; - establishes the status of customs authorities and regulations of serving in the customs authorities; - in accordance with the EU best practice.	Ministry of Finance State Customs Service	January 2023 – December 2023	31 of December 2023
4.3.2	Resolutions of the Cabinet of Ministers Orders of the MoF Orders of the SCS	Development and adopting of other acts of legislation (changes into the acts of legislation)	Ministry of Finance State Customs Service	July 2023 – June 2024	30 June 2024
4.4.3	Draft Law (new)	Development and adopting the Law on conducting the customs activity in Ukraine, which must regulate the	Ministry of Finance	after January 2026	



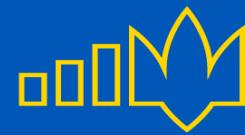
		issues of the status of customs authorities and regulations of serving in the customs authorities, types of violations of the customs regulation and responsibility for such violations, administrative proceedings procedures for such violations (with getting into force after Ukraine's joining the EU)	State Customs Service		
4.5.1	Draft Law (new)	Discarding the Customs code of Ukraine and direct use of the Regulation (EU) № 952/2013 of the European Parliament and Council, EU Commission delegated regulation № 2015/2446, EU Commission implementing regulation № 2015/2447, EU Council regulation № 1186/2009, № 608/2013, № 1352/2013 as a part of national legislation of Ukraine.	Ministry of Finance State Customs Service	after Ukraine's joining the EU	
4.5.2	Resolution of the Cabinet of Ministers Orders of the MoF Orders of the SCS	Approval of the national regulatory documents aimed on practical realization of the EU Customs code provisions and other related EU regulations on Ukrainian territory	Ministry of Finance State Customs Service	after Ukraine's joining the EU	
4.6.1	Order of the SCS (new)	Establishment of the work group for evaluation of the possibility of switching to the new classification system in accordance with EU's Combined Nomenclature (CN) and Integrated tariff (TARIC)(«TARIC»)	State Customs Service	From January 2026	30 September 2022
4.6.4	Draft Law (new)	Making amendments into the Customs Tariff of Ukraine caused by the changes which are being made by WCO into the Harmonized system and by EU into the Combined Nomenclature (draft of law)	Ministry of economy State Customs Service Ministry of Finance	From January 2026	
4.6.5	Draft Law (new)	Direct use of the Council regulation (EEC) № 2658/87 On the tariff and statistical nomenclature and on the Common Customs Tariff	State Customs Service Ministry of Finance	after Ukraine's joining the EU	
5.1.2	Order of the Ministry of Finance (new)	Preparation and agreement of the long-term national strategic plan of digital development, digital transformations and digitalization of the SCS and its	State Customs Service	September December 2022	31 of December 2022



		territorial units in accordance with the roadmap of the changes into the legislation	Ministry of Finance		
5.3.2	Order of the SCS (new)	Establishment of the work group or other entity for implementation, monitoring and coordination of the new IT systems	State Customs Service	January 2023 - June 2023	30 June 2023
6.1.1	Draft Law (new)	Adopting of the Law "On changes to the Criminal and Criminal procedure codes of Ukraine regarding the criminalization of smuggling of goods and excisable goods	Ministry of Finance Parliament	November 2022	31 January 2023
6.1.2	Joint order of the SCS and other law enforcement agencies	Implementation of the strict distinction of the rights and functions of the law enforcement agencies in the customs control zones in lieu of goods and transport which are under the customs control	State Customs Service State border guard service National police Security Service of Ukraine	November 2022	30 November 2022
6.1.3	Draft Law (new)	Development and adopting of the law regarding the changes into the Criminal procedure code of Ukraine and into the Law on operative intelligence activity regarding the granting the operative intelligence functions to the customs authorities aimed on combating smuggling (in particular smuggling of commodities) <i>(related to the execution of the tasks of point 6.1.1)</i>	Ministry of Finance, State Customs Service	June 2023 - September 2023	30 September 2023
6.1.4	Resolutions of the Cabinet of Ministers Orders of the SCS	Development and adopting of the respective bylaws which are necessary for the practical realization of the law which grants customs authorities with the operative intelligence activity rights	Ministry of Finance State Customs Service	October 2023 - December 2023	31 of December 2023
6.1.5	Draft Law (new)	Development and adopting of the law on the changes into the Criminal procedure code regarding granting the units of State Customs Service the right of investigation of the all smuggling-related crimes <i>(related to the execution of the tasks of point 6.1.1)</i>	Ministry of Finance, State Customs Service	June 2026 - September 2026	30 September 2026



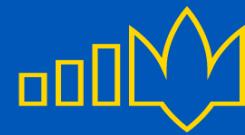
6.1.6	Resolutions of the Cabinet of Ministers Orders of the SCS	Development and adopting of respective bylaws needed for the practical realization of the law which grants customs authorities with the right of investigation of all smuggling-related crimes	State Customs Service	October 2026 - December 2026	31 of December 2026
6.2.1	Order of the SCS (new)	Creation of the operative intelligence units in the customs authorities ( <i>related to the execution of the tasks of point 6.1.3</i> )	State Customs Service	September 2023 – December 2023	31 of December 2023
6.2.4	Draft Law (new)	Development and adopting of the law on changes to the article 38 of the Criminal procedure Code of Ukraine (creation of the investigation units in customs authorities for investigation of all smuggling-related crimes, including article 198 of the Criminal Code of Ukraine (only regarding the cases, when the object of crime is the object of smuggling), 201, 305 of the Criminal Code of Ukraine	Ministry of Finance, State Customs Service	January 2026 – august 2026	31 August 2026
6.2.5	Order of the SCS (new)	Creation and equipment of the investigation units in the customs authorities	State Customs Service	September 2026 – December 2026	31 of December 2026
6.3.1	Draft Law (new)	Increasing of the institutional capacity of the customs authorities in combating the counterfeit by granting the customs authorities the right to detect and seize them in internal market (on example of some EU member-states) in cooperation with other state authorities	Ministry of Finance State Customs Service	January 2023 – December 2023	31 of December 2023
6.3.2	Resolution of the Cabinet of Ministers (new)	Establishment of the procedure of mandatory destruction of the counterfeit goods detected by the customs authorities both during the movement via the customs border or during realization in the internal market	Ministry of Finance State Customs Service	January 2023 – December 2023	31 of December 2023
6.3.3	Draft Law (new)	Establishment of the mechanisms of detection of goods in the commercial turnover which don't have the confirmation of legality of their import to the Ukrainian territory and implementation of the sanctions for selling such goods (excluding the realization of used goods of	Ministry of Finance State Customs Service	January 2023 – December 2025	31 of December 2025



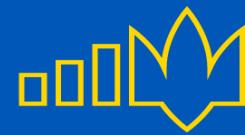
		such type by the physical persons without the signs of the business activity). In particular, designation of the respective authority for such activity and legislative prescription of the rights and functions of the customs authorities in such activity			
6.4.1	International act between Ukraine and EU member states	Establishment of the operative information exchange about possible violations of customs legislation with customs authorities of other states (Poland, Hungary, Slovakia, Romania)	Ministry of Foreign Affairs State Customs Service	January 2023 - December 2023	31 of December 2023
6.4.2	International act between Ukraine and EU member states	Establishment of the information exchange about the characteristics of goods with customs authorities of other states (Poland, Hungary, Slovakia, Romania)	Ministry of Foreign Affairs State Customs Service	January 2025 - December 2025	31 of December 2025
6.5.1	International act between Ukraine and EU member states	Signing of the Memorandum of understanding between the State Customs Service, State Border Guard Service, National police, Security Service of Ukraine and United Nations Office for Drugs and Crimes regarding the involvement into the Container Control Program	State Customs Service State border guard service National police Security Service of Ukraine	January 2023 - December 2023	31 of December 2023
6.5.2	Joint order of the SCS and other law enforcement agencies	Establishment of the new groups of the port control in the border crossing points with Poland, Hungary, Romania and Slovakia including officers of the State Customs Service, State Border Guard Service, National police, Security Service of Ukraine. HR and technical equipment of the groups of port control. Studying of the personnel of the port control groups	State Customs Service State border guard service National police Security Service of Ukraine	January 2024 - December 2024	31 of December 2024
6.7.1	Joint order of the SCS and other law enforcement agencies	Establishment of the Police and Customs Cooperation Centre (PCCC) in accordance with the European guidelines regarding the best practices for the PCCC (EU document 9105/11 of 15/04/2011)	State Customs Service State border guard service National police	From January 2026	6.7.1



			Security Service of Ukraine		
6.7.2	International act between Ukraine and EU member states	Connection of the PCCC to the EUROPOL's system of law-enforcement information exchange with the secure information exchange software SIENA	State Customs Service State border guard service National police Security Service of Ukraine	From January 2026	6.7.2
7.1.2	Order of the SCS (new)	Taking efforts aimed on appointment of the diplomats with functions of customs representative on parity basis in the states which have strategic importance for Ukraine in terms of development of international trade and international customs cooperation	Ministry of Foreign Affairs State Customs Service	January 2023 – December 2025	31 of December 2025
7.1.3	Order of the SCS (new)	Work of Ukraine's representatives in the WCO's Secretariat and other institutions	State Customs Service	January 2026 – December 2032	31 of December 2032
7.2.2	Order of the SCS (new)	Development of the draft of the new system of KPIs for the State Customs Service and its territorial units and its approval with the Ministry of Finance. The system in particular must contain evaluation of the effectiveness of decisions and actions of customs authorities (percent of decisions which made in favour of customs or in favour of its counterpart in result of appeal; resultatives of the customs inspections; effectiveness of the automated system of risk control; effectiveness of the work of post-customs control, planning and execution of documental checks etc)	State Customs Service Ministry of Finance	June 2022 – October 2022	June 2022 – October 2022
7.2.3	Order of the SCS (new)	Forming of the requirements and organization of the implementation of IT system for automated monitoring of KPIs	State Customs Service	January 2023 – July 2023	31 July 2023
7.2.4	Order of the SCS (new)	Implementation of the pilot project in the framework of the test operation of IT system for automated	State Customs Service	July 2023 – September 2023	30 September 2023



		monitoring of the KPIs. Improving of the IT system's operation			
7.2.5	Order of the SCS (new)	By-stage spreading of use of the new system of KPIs and IT system for their monitoring	State Customs Service	September 2023 – December 2023	31 of December 2023
7.3.1	Order of the SCS (new)	Conducting of the HR actions regarding the movement of customs service personnel from the temporary occupied territories and combat zone for ensuring of fast filling of the vacancies, caused by mobilization	State Customs Service	June 2022 – December 2022	31 of December 2022
7.4.1	Draft Law	Adopting the Law on changes into the Customs code of Ukraine regarding the establishment of the attestation of customs officers	Parliament	July 2022 - December 2022	31 of December 2022
7.4.2	Resolution of the Cabinet of Ministers	Drafting and adopting of the Act of the Cabinet of Ministers regarding the order of organization and making the attestation of the customs officers	NACS State Customs Service Ministry of Finance	October 2022 - December 2022	31 of December 2022
7.4.3	Resolution of the Cabinet of Ministers	Development and approval by the Act of the Cabinet of Ministers of the system of motivation which takes into account results of qualification improvement, KPIs reaching and system of reaction in case of non-reaching the KPIs and recognition of decisions and actions of the customs officers as ineffective, groundless and as those which caused losses to the subject of external economic activity	NACS State Customs Service Ministry of Finance	January 2023 – July 2023	31 July 2023
7.6.1 7.6.2	Order of the SCS (new)	Creation and by-stage implementation of the system of customs competencies based on EU Customs Competency Framework	State Customs Service	January 2025 - December 2026	31 of December 2026



## SUBGROUP 3: BUDGET AND DEBT POLICY

### 1. The main issues that need to be resolved as a part of the Recovery Plan in the field of "Finance system operation, its transformation, and development":

Impact of the war on the defined sphere of analysis:	
Key challenges (summarized for a defined scope: <b>Budget and debt policy</b> )	<ol style="list-style-type: none"> <li>1. Responding to the extensive challenges facing Ukraine in a time of the full-scale invasion by the aggressor country requires additional resources and more rational, efficient, and effective public finance management. At the same time, attracting additional resources through government borrowing leads to an increase in the state budget deficit and public debt and, as a consequence, to a significant burden on the state budget in terms of servicing and repaying debt</li> <li>2. During the war, the economic activity of business entities decreased significantly, and in some cities of Ukraine, the economic potential was virtually destroyed, which led to economic decline and, accordingly, significantly reduced the tax incomes and fees to state and local budgets</li> <li>3. The war forced a significant number of people to move and many businesses to relocate. This situation dramatically changed the "map" of both the needs of local authorities and their financial capabilities. It has also made the existing basic/reverse subsidies distribution system at least temporarily inoperable while increasing the need for additional resources in many communities</li> <li>4. Under conditions of the full-scale invasion by the aggressor country and the legal regime of martial law, some special taxation was introduced for the period of martial law and a certain period after its abolition or termination. As a result of the implementation of such tax changes, the structure of state and local budget revenues has changed</li> <li>5. As a result of the military actions, the differentiation of revenues of local budgets of regions has significantly increased</li> </ol>
Key opportunities (summarized for a defined scope: <b>Budget and debt policy</b> )	<ol style="list-style-type: none"> <li>1. Under conditions of the legal regime of martial law, the medium-term budget planning at the state and local levels is suspended. But after the end of the war, it must be resumed as soon as possible by adopting a three-year budget declaration and local budget forecasts and drafting state budgets and local budgets in accordance with the goals of state policy for the reconstruction of Ukraine, ensuring approximation to European standards of functioning of certain spheres of public life and sectors of the economy</li> </ol> <p>In addition, there will be a need to create a proper system of strategic and program documents, improve the quality of financial and economic justification of government decisions, as well as develop and update relevant instructions for strategic, program and budget documents, and create opportunities for continuous improvement of knowledge and skills on budget issues</p>



Impact of the war on the defined sphere of analysis:

	<ol style="list-style-type: none"> <li>2. Continue to conduct reviews of state budget expenditures, ensuring their regularity and full integration into the budget process, which will improve the efficiency and quality of public services, as well as identify opportunities for redistribution of financial resources following public policy priorities</li> <li>3. In the mid-term, communities with relatively low incomes and relatively high needs for public services will receive more basic subsidies due to the large number of IDPs</li> <li>4. In the long run, a broader and fairer system of equalization will be established that better reflects both the real financial capacity of the community and its needs for public services</li> </ol>
Key constraints (summarized for a defined scope: <b>Budget and debt policy</b> )	<ol style="list-style-type: none"> <li>1. Unpredictability of the situation and the resulting suspension of medium-term budget planning</li> <li>2. Lack of internal financial resources</li> <li>3. Unbearable costs of defence and further reconstruction of the country</li> </ol>

## 2. Goals, objectives, and stages of the Recovery Plan in the defined scope

### 2.1. Specific goals

	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
<b>1.</b> Under conditions of the full-scale invasion by the aggressor country, medium-term budget planning was suspended.			
Each stage's goal to be achieved to solve the problem		Restoring the predictability and balance of fiscal policy in the medium term and strengthening the strategic approach to budget planning	Establishment of the Budget Office as an independent advisory body to the Verkhovna Rada of Ukraine to strengthen its institutional capacity and improve efficiency
Deadline within the stage		2025	



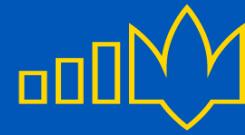
	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
Risks for achieving the goal		<ol style="list-style-type: none"> <li>1) long continuation of the full-scale invasion by the aggressor country and the impossibility of long-term forecasting and planning</li> <li>2) limited financial resources</li> <li>3) lack of an effective system of state strategic planning</li> </ol>	<ol style="list-style-type: none"> <li>1) political risks when making changes to legislation;</li> <li>2) limited financial resources</li> </ol>
Measurable indicator of goal achievement		Deviation of budget indicators for the planned year, provided by the Budget Declaration, from the corresponding indicators approved by the Budget Declaration for the previous year, no more than 10 per cent	<p>Conduction of an independent expert assessment of the financial system.</p> <p>Analysis of the implementation of the adopted financial and budgetary legislation and the effectiveness of public policy.</p>
The total amount of financial resources required to achieve the goal		-	-
Connection with other areas		<p>"Public Administration"</p> <p>"Economic Recovery and Development"</p> <p>"European integration"</p> <p>"Digitalization"</p>	<p>"Public Administration"</p> <p>"European integration"</p> <p>"Digitalization"</p>



	Stage I: June 2022 – end of 2022	Stage II: January 2023 – December 2025	Stage III: January 2026 – December 2032
<p><b>2.</b> Despite the constant improvement of the methodological base, program-based budgeting, performance-based budgeting in Ukraine has limited practical application. In particular, due to unsatisfactory coherence of the strategic and medium-term budget planning systems. As a result, the Key Spending Units of the budget funds do not always use performance-based budgeting for managerial decision-making.</p>			
Each stage's goal to be achieved to solve the problem		The state provides quality public services, ensuring efficient and effective use of budget funds.	
Deadline within the stage		2025	
Risks for achieving the goal		<ol style="list-style-type: none"> <li>1) Insufficient coherence in the systems of strategic and medium-term budget planning</li> <li>2) Low capacity of the authorities to apply new approaches</li> </ol>	
Measurable indicator of goal achievement		The share of Key Spending Units of state budget funds that revised their budget programs following the new approaches is 100 per cent	
The total amount of financial resources required to achieve the goal		-	
Connection with other areas		"Public Administration" "Economic Recovery and Development" "European integration"	



	Stage I: June 2022 – end of 2022	Stage II: January 2023 – December 2025	Stage III: January 2026 – December 2032
		"Digitalization"	
<p><b>3. Imperfection of the existing horizontal equalization system.</b> Under conditions of significant forced movement of the population from places of hostilities to the other regions of Ukraine, the incorrectness of the mechanism for horizontal equalization of fiscal capacity of local budgets became obvious. When preparing the draft state budget for the current year, last year's data, which do not correspond to the actual situation in communities, is used to calculate financial equalization instruments. In the case of the expected mass return of the population to pre-war places, the problem will be reproduced next year.</p> <p>In addition, the analysis of local budgets for 2021 indicates the existence of significant disparities in the budgets of territorial communities. Overcoming these is the main task of the mechanism for the horizontal equalization.</p>			
Each stage's goal to be achieved to solve the problem	Improving the horizontal equalization system	Further improvement of the mechanism of horizontal equalization and reducing the disparities in the financial sustainability of communities. The alignment system is based on timely and accurate information about the location of the population.	
Deadline within the stage	2022-2023	2025	
Risks for achieving the goal	<ul style="list-style-type: none"> <li>- military actions on the territory of Ukraine;</li> <li>- political risks when making changes to the legislation;</li> <li>- lack of data on population and IDPs</li> </ul>	<ul style="list-style-type: none"> <li>- lack of political will to adhere to specific decentralization priorities;</li> <li>- political risks when making changes to the legislation;</li> <li>- lack of data to conduct the necessary analyzes and research</li> </ul>	<ul style="list-style-type: none"> <li>- hostilities on the territory of Ukraine;</li> <li>- political risks when making changes to the legislation;</li> <li>- lack of data on population and IDPs</li> </ul>
Measurable indicator of goal achievement	Development of the draft law "On Amendments to the Budget Code of Ukraine" to improve the system of horizontal equalization	Basic/reverse subsidies size 1 to 2% of GDP, according to the EU standards. Reduction of the standard deviation of local	Reduction of the standard deviation of local budget revenues per capita by 20%



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
		budget revenues per capita by 15%	
The total amount of financial resources required to achieve the goal	Depending on the disparities in local budget revenues	Depending on the disparities in local budget revenues	Depending on the disparities in local budget revenues
Connection with other areas	"Public Administration" "Reconstruction and development of infrastructure" "Economic Recovery and Development" "Construction, urban planning, modernization of cities and regions" "European integration" "Digitalization"	"Public Administration" "Reconstruction and development of infrastructure" "Economic Recovery and Development" "Construction, urban planning, modernization of cities and regions" "European integration" "Digitalization"	"Public Administration" "Reconstruction and development of infrastructure" "Economic Recovery and Development" "Construction, urban planning, modernization of cities and regions" "European integration" "Digitalization"
<b>4. The inefficiency of the external state control (audit) system due to its inconsistency with the best world practices and international standards.</b>			
Each stage's goal to be achieved to solve the problem		Bring the external state financial control (audit) system in the accordance with the best international practices and standards	
Deadline within the stage		2024	
Risks for achieving the goal		- hostilities on the territory of Ukraine;	



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
		<ul style="list-style-type: none"> <li>- political risks when making changes to the legislation;</li> <li>- lack of financial resources</li> </ul>	
Measurable indicator of goal achievement		Implementation of measures of state external financial control (audit) of all public funds, state and municipal property	
The total amount of financial resources required to achieve the goal		-	
Connection with other areas		"Public Administration" "European integration" "Digitalization"	

## 2.2. The current stage of implementation of program documents

#	<b>Name of the program document</b>	<b>Current status</b>
1	Strategy for reform of the public finance management system for 2022-2025	Adopted
2	Action plan for the implementation of the Strategy for reform of the public finance management system for 2022-2025	Adopted
3	Medium-term public debt management strategy for 2021-2024	Adopted
4	Development Strategy of the Accounting Chamber for 2019-2024	Adopted



## 2.3. Determining tasks for achieving goals from subsection 2.1 (for every goal)

#	Description of the task to achieve the goal	Deadline within the stage	Dependence on goals from other directions, spheres, problems
Goal 1: Restore the predictability and balance of fiscal policy in the medium term and strengthen the strategic approach to budget planning			
Stage I: June 2022 – end of 2022			
1	-		
Stage II: January 2023 – December 2025			
1	Conduction of a comprehensive assessment of the effectiveness of the public financial management system to identify gaps and compliance with EU rules (recommendations)	2023	
2	Development of a methodology for preparing proposals for the Budget Declaration	2023	
3	Increasing the strategic direction of the budget process by reducing the number of the Key Spending Units of budget funds, ensuring their definition following their powers and responsibilities in the management of a particular sphere of public life	2023	
4	Update the organizational and methodological principles of local budget forecasting, including a standard form	2024	
5	Approval of local budget forecasts as medium-term budget planning documents	2025	
6	Establishment of a system for monitoring local budget forecasts	2025	
7	Strengthening the requirements for the financial and economic assessments of draft regulations and their compliance with the budget legislation	2023	
Stage III: January 2026 – December 2032			
1	Conduction of a balanced debt policy with the gradual reduction of the ratio of total public debt and state-guaranteed debt to GDP to pre-war levels	2035	
Goal 2: The state provides quality public services, ensuring efficient and effective use of budget funds			
Stage I: June 2022 – end of 2022			



#	Description of the task to achieve the goal	Deadline within the stage	Dependence on goals from other directions, spheres, problems
1	Improving approaches to the preparation of budget programs by the Key Spending Units of state budget funds to optimize their number and strengthen their coherence with public policy objectives	2022	
Stage II: January 2023 – December 2025			
1	Preparation of budget programs by the Key Spending Units of state budget funds, taking into account new approaches	2025	
2	Strengthening the capacity of the Key Spending Units of state budget funds to use the program-based budgeting, including budget programs efficiency evaluation	2023-2025	
3	Regular state budget expenditures reviews based on the improved methodology	2023-2025	
4	Optimization of the Standard Program Classification of Expenditures and Lending to the Local Budget	2024	
5	Improving the system of performance indicators for local budget programs	2023	
6	Improving the capacity of local governments to use program-based budgeting	2023-2025	
Stage III: January 2026 – December 2032			
	-		
Goal 3: Improving the horizontal equalization system			
Stage I: June 2022 – end of 2022			
1	Determining the list of possible models of the horizontal equalization system and preliminary calculation of indicators for each model of the horizontal equalization system	2022-2023	
2	Determining the optimal model and agreeing with all stakeholders	2022-2023	
Stage II: January 2023 – December 2025			
1	Analysis of the efficiency of the horizontal equalization system for the previous period	2024	
2	The new model for horizontal equalization development is based on the best European practices for ensuring the fiscal capacity of local communities and regions.	2025	



#	Description of the task to achieve the goal	Deadline within the stage	Dependence on goals from other directions, spheres, problems
Stage III: January 2026 – December 2032			
1	-		
Goal 4: Bring the external state financial control (audit) system in the accordance with the best international practices and standards			
Stage I: June 2022 – end of 2022			
1	-		
Stage II: January 2023 – December 2025			
1	Bringing the system of external state financial control (audit) to international standards and improving the processes of external state financial control (audit) over public funds, in particular, local budgets, state social and pension insurance funds, funds of state entities and communal property	2024	
Stage III: January 2026 – December 2032			
1	-		

### 3. List of national projects corresponding with tasks under Section 2.3 (for the relevant task)

Project description to the task under Section 2.3	Project justification	Qualitative indicators of project implementation	Economic effect (impact on GDP, budget, employment, etc.)	Responsible authority	Required financing (million UAH)	Proposed sources of financing	Regulatory support	Related area of EU regulation (in general)
Stage I: June 2022 - end of 2022								
-								



Project description to the task under Section 2.3	Project justification	Qualitative indicators of project implementation	Economic effect (impact on GDP, budget, employment, etc.)	Responsible authority	Required financing (million UAH)	Proposed sources of financing	Regulatory support	Related area of EU regulation (in general)
Stage II: January 2023 - December 2025								
Establishment of the Budget Office at the Verkhovna Rada of Ukraine	<p>Strengthening the institutional capacity of the Parliament and improving the efficiency of its activities, in particular for:</p> <ul style="list-style-type: none"> <li>- examination of legislative initiatives that have a systemic impact in specific areas of legislation, and their effect on economic and social development</li> <li>- assessment of the financial system, primarily budget</li> <li>- analysis of the implementation of the adopted financial and budgetary legislation and the effectiveness of public policy</li> <li>- the adaptation of budget legislation to the EU rules</li> </ul>	The Budget Office established as an independent advisory body to the Verkhovna Rada of Ukraine to strengthen its institutional capacity and improve efficiency.		Verkhovna Rada		International Technical Assistance		



Project description to the task under Section 2.3	Project justification	Qualitative indicators of project implementation	Economic effect (impact on GDP, budget, employment, etc.)	Responsible authority	Required financing (million UAH)	Proposed sources of financing	Regulatory support	Related area of EU regulation (in general)
Improving the horizontal equalization system	The analysis will identify the strengths and weaknesses of the system and areas for further improvement  Adapting the best practices will enable the implementation of the most progressive model in Ukraine	Calculation of basic / reverse subsidy amounts for each local budget  Draft law  New alignment model	-	MoF		International Technical Assistance		

#### 4. The necessity of legal amendments

No	Name of the regulatory act for the task from subsection 2.3	Content of development and changes to the regulatory act	State authority	Deadline for development	Deadline for entry into force
1	Budget Code of Ukraine	Update of the Budget Code of Ukraine taking into account EU rules	MoF, Verkhovna Rada	2025	
2	Instructions for preparing proposals for the Budget Declaration	Methodological approaches to budget planning at the level of the Keys Spending Units of the state budget	MoF	2023	
3	Instructions for preparing budget requests	Clarification of the methodology for the preparation of budget requests following the Budget Declaration	MoF	2023	



<b>Nº</b>	<b>Name of the regulatory act for the task from subsection 2.3</b>	<b>Content of development and changes to the regulatory act</b>	<b>State authority</b>	<b>Deadline for development</b>	<b>Deadline for entry into force</b>
4	Instructions for compiling a local budget forecast	Clarification of organizational and methodological principles of local budget forecasting, including a standard form	MoF	2024	
5	Methodical recommendations on the preparation of budget programs by the Key Spending Units of the state budget	Development of unified approaches to the preparation of budget programs, their content and characteristics by the Key Spending Units of the state budget funds	MoF	2022-2024	
6	Budget Code of Ukraine	Making changes to Articles 98-99 BCU	MoF	2023	2024
11	Budget Code of Ukraine, other laws of Ukraine on financial control (audit)	Amendments to the legislative acts of Ukraine to bring the external state financial control (audit) system in the accordance with the best international practices and standards	Verkhovna Rada, Accounting Chamber, MoF (State Audit Office)	2023-2024	2024



## AREA "DEVELOPMENT OF THE BANKING SYSTEM, NON-BANK FINANCIAL SERVICES AND CAPITAL MARKETS"

### SUBGROUP 4: BANKING SYSTEM AND NON-BANK FINANCIAL SERVICES MARKET

#### 1. The main problems that need to be addressed in the framework of the Recovery Plan in the area of "Functioning of the financial system, its reform"

Impact of the war on the defined sphere of analysis:	
Key challenges (summarized for a defined scope: <b>Banking system and non-bank financial services market</b> )	<ol style="list-style-type: none"> <li>1. Pressure on the national currency due to deterioration of the payments balance</li> <li>2. Rapid growth of inflation</li> <li>3. Deterioration of the financial condition of current and potential borrowers: reduction of liquidity, physical inability to sell products or services, loss of assets</li> <li>4. Deterioration of financial conditions of banks and non-bank financial institutions: <ul style="list-style-type: none"> <li>- deterioration of the loan portfolio; NPL growth; loss (physical destruction) of collateral in combat zones or reduction of its value; loss of insurance portfolios (loss of client bases) of insurers, withdrawal from existing contracts due to policyholders' lack of funds</li> <li>- loss of assets (fixed assets, cash)</li> </ul> </li> <li>5. Accumulation of risks, with a high probability of their occurrence: <ul style="list-style-type: none"> <li>- widespread loss of population and business as a result of hostilities</li> <li>- catastrophic nature of such losses</li> </ul> </li> <li>6. High level of cyber threats</li> <li>7. Settlement of financial and legal relations that arose in the temporarily occupied territories during the occupation process</li> <li>8. Reduction of access to financial services, means of payment (cash / non-cash payments) in the territories affected by hostilities or temporarily occupied territories: aggressor's attempts to introduce a ruble zone in uncontrolled territories</li> </ol>
Key opportunities (summarized for a defined scope: <b>Banking system and non-bank financial services market</b> )	<ol style="list-style-type: none"> <li>1. Emergence of market supply of financial services reflecting the war and its impact, in particular, new insurance programs</li> <li>2. Financial measurement of the temporarily occupied territories' reintegration</li> <li>3. Restoration of financial inclusion, deepening of financial literacy of financial services consumers</li> <li>4. Decrease in NPL growth in banks and non-bank financial institutions (NFIs)</li> <li>5. Strengthening of the protection of investors' and creditors' rights</li> <li>6. Development of the financial market open architecture, oversight and cash circulation</li> </ol>



Impact of the war on the defined sphere of analysis:

	<ol style="list-style-type: none"> <li>7. Ensuring the development of Fintech, SupTech, RegTech and other digital financial technologies</li> <li>8. Development of the digital economy</li> <li>9. Cyber resilience of the financial system</li> </ol>
Key constraints (summarized for a defined scope: <b>Banking system and non-bank financial services market</b> )	<ol style="list-style-type: none"> <li>1. Maintaining price stability</li> <li>2. Maintaining financial stability / application of macroprudential regulation requirements</li> <li>3. Uncertainty about the timing of the end of hostilities, mobilization of the population, etc.</li> </ol>

## 2. Goals, objectives, and stages of the Recovery Plan in the defined scope

### 2.1. Specific goals

	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
<ol style="list-style-type: none"> <li>1. The deterioration of banks and non-bank financial institutions financial condition is happening for a number of reasons: <ul style="list-style-type: none"> <li>• loss of collateral in combat zones</li> <li>• loss of assets of borrowers and banks themselves and NFIs</li> <li>• widespread loss of population and business as a result of hostilities</li> <li>• catastrophic nature of such losses</li> <li>• reduction in the ability of borrowers to service debt</li> <li>• deterioration of the loan portfolio; NPL growth.</li> </ul> </li> </ol>			

Therefore, the Recovery Plan proposes to reach the goal of achieving and maintaining financial stability under martial law. This task requires a number of problems to be solved:

- effective regulation of the financial sector and improvements to supervisory approaches
- ensuring the transparency of the financial sector
- maintaining the financial sector's resilience to challenges
- improving the quality of the financial sector's corporate governance and risk management.



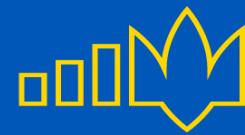
	Stage I: June 2022 – end of 2022	Stage II: January 2023 – December 2025	Stage III: January 2026 – December 2032
Each stage's goal to be achieved to solve the problem	<ol style="list-style-type: none"> <li>Effective regulation of the financial sector and improving supervisory approaches</li> </ol>	<ol style="list-style-type: none"> <li>Effective financial sector regulation and improving supervisory approaches</li> <li>Boosting financial sector's resilience to challenges</li> <li>Improving the financial sector's quality of corporate governance and risk management</li> </ol>	
Deadline within the stage	December 2022	December 2024	
Risks for achieving the goal	<ol style="list-style-type: none"> <li>Inconsistency of positions, lack of understanding of the need for appropriate changes in legislation</li> </ol>	<ol style="list-style-type: none"> <li>Inconsistency of positions, lack of understanding of the need for appropriate changes in legislation</li> </ol>	
Measurable indicator of goal achievement	<ol style="list-style-type: none"> <li>Adoption of relevant amendments to regulations</li> <li>Liquidity of banks (H6) &gt; 60%.</li> </ol>	<ol style="list-style-type: none"> <li>Adoption of relevant amendments to regulations</li> <li>Liquidity of banks (H6) &gt; 60%.</li> </ol>	
The total amount of financial resources required to achieve the goal			
Connection with other areas	<p>WG on functioning of the financial system, its reform / WSG (working subgroup) on tax policy / budget policy</p> <p>WG on ecological issues</p>	<p>WG on functioning of the financial system, its reform / WSG (working subgroup) on tax policy / budget policy</p> <p>WG on ecological issues</p>	
<p><b>2.</b> Reduction of economic activity and limited business liquidity lead to a postponement of demand and investment. The financial sector is expected to provide effective solutions for the resumption of lending and the rapid leveling of NPL growth, which could significantly slow down lending recovery.</p>			



	Stage I: June 2022 – end of 2022	Stage II: January 2023 – December 2025	Stage III: January 2026 – December 2032
Therefore, the Recovery Plan proposes to achieve the goal of promoting economic recovery and development under martial law. This task requires a number of problems to be solved:			
	<ul style="list-style-type: none"> <li>Promoting lending the economy (stimulating the provision of new loans). Reducing the growth of NPLs in banks and NFIIs, including strengthening the protection of creditors' and investors' rights.</li> <li>Reducing the growth of NPLs in banks and NFIIs, including strengthening the protection of creditors' and investors' rights.</li> </ul>		
Each stage's goal to be achieved to solve the problem	<ol style="list-style-type: none"> <li>Promoting lending the economy (stimulating the provision of new loans)</li> <li>Reducing the growth of NPLs in banks and NFIIs, including strengthening the protection of creditors' and investors' rights</li> </ol>	<ol style="list-style-type: none"> <li>Promoting lending the economy (stimulating the provision of new loans)</li> <li>Reducing the growth of NPLs in banks and NFIIs, including strengthening the protection of creditors' and investors' rights</li> </ol>	<ol style="list-style-type: none"> <li>Promoting lending the economy (stimulating the provision of new loans).</li> </ol>
Deadline within the stage	December 2022	December 2024	
Risks for achieving the goal	<ol style="list-style-type: none"> <li>Inconsistency of positions, lack of understanding of the need for appropriate legislative changes</li> <li>Lack of funding sources for such funds and programs</li> </ol>	<ol style="list-style-type: none"> <li>Inconsistency of positions, lack of understanding of the need for the appropriate legislative changes</li> <li>Lack of funding sources for such funds and programs</li> </ol>	
Measurable indicator of goal achievement		<ol style="list-style-type: none"> <li>Volume of net bank loans to GDP (business entities and individuals) &gt; 15%</li> <li>Share of gross non-performing loans in banks' portfolio, % - 10%</li> </ol>	



	Stage I: June 2022 – end of 2022	Stage II: January 2023 – December 2025	Stage III: January 2026 – December 2032
The total amount of financial resources required to achieve the goal			
Connection with other areas	WG on the rule of law WG on social protection issues WG on economic recovery and development WG on functioning of the financial system, its reform / WSG on tax policy / budget policy WG on issues of infrastructure restoration	WG on the rule of law WG on social protection issues WG on economic recovery and development WG on functioning of the financial system, its reform / WSG on tax policy / budget policy	
<b>3.</b> Reduction of access to financial services, means of payment (cash / non-cash payments) in the territories affected by hostilities or temporarily occupied territories: aggressor attempts to introduce a ruble zone in uncontrolled territories. Reducing users' access to financial services and cash as a result of the war raises new questions: how not only to reach the target audience of financial literacy and financial inclusion programs, but also to make such content available to Ukrainians abroad.			
Therefore, the Recovery Plan proposes to achieve the goal of promoting economic recovery and development under martial law. This task requires a number of problems to be solved: <ul style="list-style-type: none"> <li>improving the availability and use of financial services</li> <li>strengthening the protection of financial services consumers' rights</li> <li>increasing the financial literacy level of the population.</li> </ul>			
Each stage's goal to be achieved to solve the problem	1. Improving the availability and use of financial services 2. Strengthening the protection of financial services consumers' rights	1. Improving the availability and use of financial services 2. Strengthening the protection of financial services consumers' rights 3. Increasing the financial literacy level of the population	



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
Deadline within the stage	December 2022	December 2024	
Risks for achieving the goal	1. Inconsistency of positions, lack of understanding of the need for appropriate legislative changes	1. Inconsistency of positions, lack of understanding of the need for appropriate legislative changes.	
Measurable indicator of goal achievement		Ratio of non-cash card transactions (including P2P) to total transactions, % - 65%	
The total amount of financial resources required to achieve the goal			
Connection with other areas	WG on digitalization WG on the issues of education and science WG on the rule of law	WG on digitalization WG on the issues of education and science WG on the rule of law	
<b>4.</b> Non-bank financial institutions have found themselves in a difficult situation due to the greater importance of territorial assets, some of which are currently located in communities where hostilities are taking place. Some companies have not provided their reports, which limits the controllability of the financial sector. Therefore, the Recovery Plan proposes to achieve the goal of promoting economic recovery and development under martial law. This task requires a number of problems to be solved:	<ul style="list-style-type: none"> <li>• promoting the development of the non-bank financial services markets</li> <li>• integration of Ukraine's financial market into the global financial market.</li> </ul>		
Each stage's goal to be achieved to solve the problem	1. Promoting the development of the non-bank financial services markets 2. Integration of Ukraine's financial market into the global financial market	1. Promoting the development of the non-bank financial services markets 2. Integration of Ukraine's financial market into the global financial market	



	Stage I: June 2022 – end of 2022	Stage II: January 2023 – December 2025	Stage III: January 2026 – December 2032
Deadline within the stage	December 2022	December 2024	
Risks for achieving the goal	1. Inconsistency of positions, lack of understanding of the need for appropriate legislative changes	1. Inconsistency of positions, lack of understanding of the need for appropriate legislative changes	
Measurable indicator of goal achievement		Non-bank lending penetration rate, % to GDP > 3%	
The total amount of financial resources required to achieve the goal			
Connection with other areas			
<p><b>5.</b> Continuation of financial sector innovative development goals implementation to facilitate access to Ukrainian financial services, their security and competitiveness in the European market.</p> <p>Therefore, the Recovery Plan proposes to achieve the goal of promoting economic recovery and development under martial law. This task requires a number of problems to be solved:</p> <ul style="list-style-type: none"> <li>• Development of financial market open architecture, oversight and cash circulation.</li> <li>• Ensuring the development of Fintech, SupTech, RegTech and other digital financial technologies.</li> <li>• Development of the digital economy.</li> <li>• Cyber resilience of the financial system.</li> </ul>			
Each stage's goal to be achieved to solve the problem	<ol style="list-style-type: none"> <li>1. Ensure the development of Fintech, SupTech, RegTech and other digital financial technologies</li> <li>2. Development of the digital economy</li> <li>3. Cyber resilience of the financial system</li> </ol>	<ol style="list-style-type: none"> <li>1. Development of financial market open architecture, oversight and cash circulation</li> <li>2. Ensuring the development of Fintech, SupTech, RegTech and other digital financial technologies</li> </ol>	



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
		3. Development of the digital economy 4. Cyber resilience of the financial system	
Deadline within the stage	December 2022	December 2024	
Risks for achieving the goal	1. Inconsistency of positions, lack of understanding of the need for appropriate legislative changes	1. Inconsistency of positions, lack of understanding of the need for appropriate legislative changes	
Measurable indicator of goal achievement			
The total amount of financial resources required to achieve the goal			
Connection with other areas	WG on digitalization	WG on digitalization	

## 2.2. The current stage of implementation of program documents:

<b>Item of the plan</b>	<b>Name of the program document</b>	<b>Current status</b>
1.	Programs of activity of the Cabinet of Ministers of Ukraine, approved by the Resolution of the Cabinet of Ministers of Ukraine № 471 on 12 June 2020	Under implementation
2.	Strategy of Ukrainian Financial Sector Development until 2025 (latest version), approved under decision of the National Commission on Securities and Stock Market № 140, dated 2 March 2021, decision of the Board of the National Bank of Ukraine № 97, dated 18 March 2021, and decision of the Deposit Guarantee Fund № 193, dated 25 February 2021	Under implementation



3.	National Economic Strategy for the period up to 2030, approved by Resolution of the Cabinet of Ministers of Ukraine № 179 on 3 March 2021	Under implementation
4.	Plan of draft law work of the Verkhovna Rada of Ukraine for 2022 (PZR), approved by Resolution of the Verkhovna Rada of Ukraine № 2036-IX, dated 15 February 2022	Under implementation
5.	Plan for organizing the implementation of decision of the National Security and Defense Council of Ukraine dated August 11, 2021, <i>On the Strategy of Economic Security of Ukraine for the period up to 2025</i> , approved at a meeting of the Cabinet of Ministers of Ukraine on 1 September 2021	Under implementation
6.	Action plan for the implementation of the Letter of Intent of the Government of Ukraine and the National Bank of Ukraine dated 8 November 2021, and the Memorandum on Economic and Financial Policy	Under implementation
7	National Bank of Ukraine Strategy until 2025 (updated version), approved under Decision of the NBU Board № 412 on 13 August 2021	Under implementation
8	The Cybersecurity Strategy of Ukraine, put into effect by the Decree of the President of Ukraine № 447/2021, dated 26 August 2021	Under implementation

### 2.3. Determining tasks for achieving goals from subsection 2.1 (for every goal)

<b>№</b>	<b>Description of the task to achieve the goal</b>	<b>Deadline within the stage</b>	<b>Depending on goals from other directions, spheres, problems</b>
Goal 1. Financial stability			
1.1. Effective regulation of the financial sector and improvement of supervisory approaches			
Stage I: June 2022 - end of 2022			
1.1.1	Develop and implement a plan for the temporary simplification or modernization of regulatory requirements for capital, liquidity, information disclosure; and the gradual restoration of the banks' capital adequacy levels,	June - July 2022	





№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
	<ul style="list-style-type: none"> <li>Improve the procedures for assessing the financial condition of financial companies and pawnshops, in particular, in terms of simplifying the procedure for increasing equity (by amending the already adopted Law <i>On Financial Services and State Regulation of Financial Services Markets</i>)</li> </ul>		
1.1.6	Introduce payment instruments oversight in accordance with international standards	December 2024	
1.1.7	Ensure the development of significant financial market infrastructure monitoring	December 2024	
1.1.8	<p>Support the legislative establishment of the market for securitization of mortgage, leasing and other bank assets in order to secure lending programs with long-term financing and diversify risks by:</p> <ul style="list-style-type: none"> <li>amendments in legislation regarding the organization of agreements on bank assets securitization</li> <li>popularization and active promotion of bank assets securitization</li> </ul>	2025 year	WG on functioning of the financial system, its reform / WSG (working subgroup) on Capital markets
1.2. Resilience of the financial sector to challenges			
Stage II: January 2023 - December 2025			
1.2.1	<p>Improve macroprudential tools:</p> <ul style="list-style-type: none"> <li>For macroprudential capital instruments: (a) develop a tool and, if necessary, implement a countercyclical capital buffer and a systemic risk buffer; (b) establish requirements for the leverage ratio.</li> <li>Calibrate and, if necessary, introduce additional capital requirements in case of significant concentrations in certain sectors or types of loans.</li> <li>If necessary, set additional risk weights for certain risky types of loans.</li> <li>Calibrate and, if necessary, limit the loan-to-value ratio (LTV), debt service-to-income ratio (DSTI), and total debt -to-income ratio (DTI).</li> </ul>	December 2024	



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
	<ul style="list-style-type: none"> <li>• If necessary, develop macroprudential regulation tools for the non-bank financial sector.</li> <li>• Introduce a mechanism for long-term planning, early detection of problems in banks, early intervention and settlement of bank insolvency.</li> <li>• Launch an effective system of early warning tests based on the system of financial institution supervision, taking into account the specifics of life insurance</li> </ul>		
1.2.2	Encourage international financial institutions to contribute to the capital of banks (including state-owned ones) that, according to the NBU, need to be recapitalized	2025 year	
1.2.3	<p>Establish the market for distressed assets securitization by:</p> <ul style="list-style-type: none"> <li>• improving regulation in terms of agreements on securitization of distressed bank assets.</li> <li>• promotion of distressed bank assets securitization</li> </ul>	2025 year	WG on functioning of the financial system, its reform / WSG (working subgroup) on Capital markets
1.3. Improve the quality of corporate governance and risk management in the financial sector			
Stage I: June 2022 - end of 2022			
1.3.1	Improve the quality of corporate governance in state owned banks according to the world-best practices	December 2022	
Stage II: January 2023 - December 2025			
1.3.2	Improve the quality of corporate governance in state owned banks according to the world-best practices	December 2025	
1.3.3	Implement sustainable financing practices based on effective corporate governance, which includes environmental, social and governance factors (ESG):	December 2024	



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
	<ul style="list-style-type: none"> <li>Sustainable Finance development in Ukraine: developing recommendations for the implementation of sustainable financing standards;</li> <li>Introduce environmental, social and management practices (ESG) in Ukrainian banks: (a) develop requirements for environmental and social risk management in banks; (b) develop standards for the disclosure of ESG by banks;</li> <li>Promote sustainable financing practices based on effective corporate governance considering ESG factors, in particular through: <ul style="list-style-type: none"> <li>taking measures for relevant institutions regulated by the NBU to raise awareness and develop the capacity for sustainable financing</li> <li>developing and approving the Annex on Corporate Governance and Sustainable Development to the Corporate Governance Code (ESG Appendix)</li> <li>developing and approving Recommendations on the implementation or financing of environmental projects through the issuance of green bonds</li> <li>developing an online ESG assessment card</li> <li>developing the ESG Disclosure Guidelines</li> <li>conducting activities and developing training materials on raising awareness of sustainable financing standards among NBU-regulated market participants</li> </ul> </li> </ul>		
1.3.4	Introduce the European Green Taxonomy into the legislation of Ukraine, and a system of independent verification of compliance, as well as a reporting system for it	December 2025	WG on ecological issues
Goal 2. Promote economic recovery and development			
2.1 Promote lending to the economy (stimulate the provision of new loans)			



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
Stage I: June 2022 - end of 2022			
2.1.1	<p>Introduce military-political risk insurance:</p> <ul style="list-style-type: none"> <li>- By Ukrainian insurers in the partnership of international reinsurance (in particular, high-quality reinsurance coverage for military and political risks in the Lloyd's of London insurance market). Adoption of amendments to the legislation on the introduction of military-political risk insurance are expected and rules/procedures for participants of the process on insuring military-political risks are needed/</li> <li>- Through involvement in the system (mechanism) of insurance (guarantees) of a leading international organization - the Multilateral Investment Guarantee Agency (MIGA). To this end, it is anticipated that a special trust fund will be created, which would be administered directly by MIGA and provide investment guarantees under specially modified procedures. This fund will accumulate the financial resources provided by the pool of sponsors and it would be at the expense of WBG IGTF that insurance indemnities were paid in the event of insured events.</li> <li>- Consider alternative in introducing the population and business military risks insurance program at the expense of the new established Compensation fund (Pool) creation based on public-private partnership (at the expense of means of funds for restoration, from international partners).</li> </ul> <p>The following steps are anticipated:</p> <ul style="list-style-type: none"> <li>o Determining the basic principles of the military risks insurance program with the participation of the state (basic conditions of insurance, conditions of insurers membership in the Compensation Fund (Pool), procedure for formation of the Fund's funds (Pool), participation of insurers/Fund</li> </ul>	December 2022	WG on economic recovery and development



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
	<p>(Pool)/state in compensation and/or reinsurance depending on the amount of losses).</p> <ul style="list-style-type: none"> <li>○ Developing a bill regulating the establishment and operation of the Compensation Fund (Pool), supervision and control of the Fund.</li> <li>○ Extending the Pool's activities to a wide range of areas of the state's economy, covering the protection of both material objects and people's lives and health from military and political risks.</li> </ul>		
2.1.2	<p>Leasing policy response</p> <ul style="list-style-type: none"> <li>- Stimulate the development of financial leasing, for instance, by creating a program to finance the purchase or sale of production equipment for leasing. Raising funds from international donors and rehabilitation funds to fund the program.</li> <li>- Develop a concept of lease with the right of redemption to increase the availability of financing for the purchase of real estate, in particular, commercial.</li> </ul>	December 2022	WG on functioning of the financial system, its reform / Tax policy, Budget policy WG on economic recovery and development
2.1.3	Synchronization with state programs on destroyed housing and financing its restoration in particular of homeless individuals and/or IDPs with ability to repay housing loans	August 2022	WG on issues of infrastructure restoration
2.1.4	Ensure open access to public registers	December 2022	
2.1.5	Increase efficiency and expand access to existing funds and lending programs, state guarantees, and risk insurance coverage of certain business types to restore Ukraine's economy. Provide funding with reconstruction funds and / or using the funds of international donors.	December 2022	WG on economic recovery and development
2.1.6	Policy response on trade finance - active use of the Export Credit Agency (ECA) instrument	By the end of 2022	WG on economic recovery and development



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
	<ul style="list-style-type: none"> <li>Launch a program to finance SME exporters together with the ESA and banking institutions at the expense of international donors and recovery funds.</li> <li>The program for financing exporters together with the ECA and banking institutions has been launched: a new section has been created on the Diiia.Business portal with an appropriate form for collecting applications and forwarding them to the employees of relevant banks at the expense of international donors, recovery funds.</li> <li>Elaboration of the possibility of expanding access to a bank guarantee for Ukrainian manufacturers' participation in international procurement.</li> <li>Ensure the full and effective functioning of the ECA, attract a donor and expert environment that will provide the best global experience necessary for the effective functioning of the ECA, and create the necessary conditions for attracting financial assistance to increase the financial capacity of the ECA.</li> <li>Actively promote ECA products and services for the SME segment.</li> <li>Provide information and educational support for SMEs to enable them to access export financing with the participation of the ECA.</li> </ul>		
Stage II: January 2023 - December 2025			
2.1.7	<p>Policy response on trade finance</p> <p>Improve the legal framework for the development of ABF (trading factoring tools) and electronic invoicing (e-invoicing):</p> <ul style="list-style-type: none"> <li>Settle cases of legal ambiguity and uncertainty regarding the regulation of collateral, especially the priority of creditors' claims.</li> <li>Ensure that the regulatory framework provides effective enforcement methods as key prerequisites for increasing secured credit.</li> </ul>	December 2024	



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
	<ul style="list-style-type: none"> <li>Modernize the existing register of creditors' claims and harmonize it with modern standards for maintaining a register based on notifications.</li> <li>Amend/adopt some legislative acts: the Law <i>On Factoring</i>, the Law <i>On Securing Creditors' Claims</i> and the Law <i>On Pledges</i>.</li> <li>Develop strategic approaches to the regime of legal regulation of relations in the field of reverse factoring (make adjustments and clarifications to the provisions of the Civil Code governing the assignment of requirements in general and factoring in particular and ensure that these rules meet the latest international standards) and calculate the risk weighing of corporate loans.</li> <li>Promote the development of other trade factoring forms (without recourse and international factoring) and forfaiting.</li> <li>Promote the development of export letters of credit, guarantees and other trade finance instruments.</li> </ul>		
2.1.8	Develop an electronic platform for lending under the provision of assets to support the recovery of SMEs during the postwar period	December 2023	
2.1.9	Improve credit technologies (reduction of costs, including time, for decision-making and loan administration)	December 2023 for banks December 2024 for NFI	
2.1.10	Improve the functions of the NBU Credit Register through: <ul style="list-style-type: none"> <li>testing hypotheses about different models of data collection for the Credit Register from non-bank financial institutions</li> <li>identifying the regulatory objectives of the BCH market surveillance system in Ukraine</li> <li>studying international experience and selecting the most optimal model for Ukraine</li> <li>developing drafts of necessary regulations, consulting with market representatives so they accept them.</li> </ul>	June 2024	



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
2.1.11	Launch of the updated Credit Register platform	January 2024	
2.1.12	Elaborate the possibility of spreading military and political risk coverage on small and medium business loans (after elaboration of group categories subject to such guarantees)	December 2023	WG on economic recovery and development
2.1.13	<p>Investigate the possibility and probable models of a Bank for Reconstruction and Development (BRD) establishment, which will include such issues:</p> <ul style="list-style-type: none"> <li>- expediency of BRD creation</li> <li>- organizational and legal forms</li> <li>- financial products and mechanisms</li> <li>- target audiences</li> <li>- sources of capital</li> </ul>	July 2023	WG on economic recovery and development
2.2. Reduce the growth of NPLs in banks and NFIs, including strengthening the protection of creditors' and investors' rights			
Stage I: June 2022 - end of 2022			
2.2.1	<p>Policy Response on loan restructuring</p> <ul style="list-style-type: none"> <li>• Develop mechanism of loan restructuring of borrowers (individuals) affected by the war using funds from international donors, reconstruction funds.</li> <li>• Develop a loan restructuring mechanism for borrowers (legal entities) affected by the war (including through the "Kyiv Approach / Financial Restructuring") using funds from international donors, recovery funds.</li> <li>• Legislatively regulate credit relations in which collateral has been lost or its market value has decreased due to the war.</li> <li>• Amend regulations on the issues of taxation of the developed mechanics of individuals and legal entities loan restructuring, lost loan collateral.</li> </ul>	2022 year	<p>WG on functioning of the financial system, its reform / Tax policy, Budget policy, Capital markets</p> <p>WG on economic recovery and development</p>



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
	<ul style="list-style-type: none"> <li>• Synchronization of presence of information on the pledged property (real estate, movable property, other assets) - in all the registers of damaged property;</li> <li>• Elaborate the possibility of the legislative regulation of the transfer all of assets, the credit risk of which has increased to 100%, to a separate institution in exchange for bonds of this institution with a value equal to the assets' net value as of February 23, 2022: <ul style="list-style-type: none"> <li>○ A separate institution carries out legal work to obtain compensation for the losses of banks, draws up documents confirming losses and files consolidated claims.</li> <li>○ Funds received by the organization as compensation for losses are used to repay the bonds.</li> <li>○ On loans to borrowers who have viable businesses but are in temporary financial difficulties caused by the war, banks restructure the debt by converting the part of the debt that exceeds the amount of debt that can be serviced on market terms into contingent liabilities, and takes them into account in off-balance sheet accounting. Contingent liabilities are repaid in this case and according to a certain schedule: receipt of compensation from the aggressor state for damages, cash-sweep (excess of actual profitability / profitability over projected during the loan agreement).</li> </ul> </li> </ul>		
2.2.2	Ensure the improvement of valuation activities, in particular by providing additional requirements for valuation entities that can conduct independent valuations in cases established by the legislation on financial markets	December 2022	
2.2.3	Develop a program of social lending and loan restructuring for military service members using recovery funds and / or international funds	December 2022	WG on social protection issues
2.2.4	Policy response on balancing creditors' rights to initiate amendments to procedural legislation regarding financial services disputes:	December 2022	WG on the rule of law



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
	<ul style="list-style-type: none"> <li>improvement of the rules that serve as tools for delaying litigation and for abuse of rights, in order to minimize them</li> <li>improvement of the norms establishing the terms of consideration of the case in court, in order to minimize them</li> <li>development of amendments to the legislation of Ukraine on the rights and obligations of public and private executors, methods and procedures for the execution of decisions.</li> </ul>		WG on social protection issues
Stage II: January 2023 - December 2025			
2.2.5	<p>Implement measures to increase the institutional capacity of the DGF (Deposit Guarantee Fund for Individuals) through:</p> <ul style="list-style-type: none"> <li>preparation of appropriate amendments to the legislation to ensure action to compensate creditors (damages), protect the rights of depositors, and other issues related to the functionality of the DGF</li> <li>adoption of amendments to the Law of Ukraine <i>On the Deposit Guarantee System for Individuals</i>, to the legislation on the functioning of the securities market, which will shift the focus onto the Fund's instruments for selling assets to obtain funds from borrowers by restructuring loans and / or issuing bonds, secured by these problem loans</li> <li>amendments to the legislation in order to increase the proceeds from the Fund's the sale of assets: <ul style="list-style-type: none"> <li>adoption of amendments to the Law of Ukraine <i>On the Deposit Guarantee System for Individuals</i></li> <li>creation of financial instruments for reinsurance of the Fund's risks under the provided guarantees</li> <li>adoption of regulatory documents required for the hosting bank (Cabinet of Ministers resolutions, NBU resolutions).</li> </ul> </li> </ul>	2025 year	



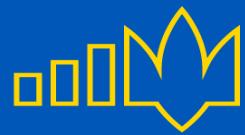
№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
	<p>Simplification of the process of alienating the liabilities of the insolvent bank to the host bank:</p> <ul style="list-style-type: none"> <li>Introduce profit and loss sharing agreements between the Fund (insolvent bank) and the host bank and allow guarantees to be provided to the host party in case of the incorrect valuation of assets.</li> <li>Introduce incentive mechanisms for host state-owned banks that will receive financial support (including in the form of guarantees for transferred assets) of the Fund, for example to increase their capital through IGLBs, in a certain proportion of the amount of asset insufficiency.</li> <li>Create a mechanism for the rapid recovery of a transferred borrower's solvency by converting part of the debt into the capital of such a borrower.</li> <li>Increase the Fund's financial resources to provide financial support to host banks.</li> </ul> <p>Expand the tools for restoring the solvency of insolvent banks' borrowers:</p> <ul style="list-style-type: none"> <li>Anticipate the possibility of the forcible conversion of part of the borrower's debt transferred to the host bank into the capital of such debtor (see paragraph 1), including debt to persons related to the bank.</li> <li>Restore their ability to provide the host bank with their assets as collateral for new loans. To do this, the borrower's assets must be released from encumbrances imposed in the interests of persons associated with the aggressor country.</li> </ul> <p>Simplify the process of converting liabilities (deposits) into the bank's capital in order to simplify one of the options for resolving the bank's insolvency:</p>		



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
	<ul style="list-style-type: none"> <li>Fully implement Directive 2014/59/EU, including the establishment of a settlement fund that can provide financial support to host banks.</li> <li>Extend Directive 2014/59/EU legislation to all banks (and not just systemically important ones), including the instrument for converting bank deposits into capital (bail-in) of a bank for any bank and change the requirements for the list of deposits, suitable for such conversion.</li> </ul>		
2.2.6	<p>Balance the rights of creditors</p> <p>Initiate amendments to procedural legislation regarding financial services disputes:</p> <ul style="list-style-type: none"> <li>Reduce the legal risks of lenders in connection with the provision of credit for the purchase of real estate secured by such real estate, prevention of abuse by the mortgagor of their rights, ensuring effective satisfaction of the lender's claims through the subject of the mortgage through: <ul style="list-style-type: none"> <li>revocation of the permit of the body of guardianship and trusteeship for the mortgage of housing, which will only be purchased at the expense of a bank loan</li> <li>expansion of the possibility of using the data of the Unified Demographic Register for processing loan applications for a mortgage loan</li> <li>increasing the efficiency of the mortgagee's rights when applying for foreclosure on the mortgage subject.</li> </ul> </li> <p>Strengthen creditors' rights when dealing with overdue and problematic loan obligations.</p> <li>Implement a system of control over the quantity and quality of eligible assets, which represent the reserves of insurance companies, implement a system of inter-sectoral control.</li> </ul>	<p>1 March 2023 (entry into force of changes in the procedure for concluding mortgage agreements)</p> <p>01.07.23 (entry into force of changes in the application for foreclosure on housing mortgaged)</p> <p>June 2023</p> <p>December 2023</p> <p>December 2024</p>	<p>WG on the rule of law</p> <p>WG on social protection issues</p>



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
	<ul style="list-style-type: none"> <li>Change the judicial system with the aim of more effectively resolving financial disputes.</li> <li>Improve the legislation on notaries to execute writs of execution on loan agreements.</li> <li>Develop minimum standards for the settlement of disputes using mediation legislation.</li> <li>Reduce the decision-making term and execution (court-executive-compensation).</li> <li>Introduce an out-of-court dispute resolution mechanism between financial market participants and consumers.</li> </ul>		
Goal 3. Financial inclusion			
3.1. Improve the availability and level of use of financial services			
Stage I: June 2022 - end of 2022			
3.1.1	<p>Management and provision of cash under martial law:</p> <ul style="list-style-type: none"> <li>Provide uncontrolled / de-occupied territories with access to financial services, means of payment (cash/non-cash payments): (a) stimulate banks with tariffs to open mobile branches and ATMs; (b) prepare amendments to regulations that will allow agents (from banks or NFIs) to be involved in the provision of a wider range of financial products and services.</li> <li>Identify storage locations abroad / in Ukraine to preserve NBU cash balances and provide the market with the necessary amounts and denominations.</li> <li>In order to diversify and minimize risks, decide on the construction / long-term lease of premises abroad / in Ukraine to preserve the balance of cash of the NBU and provide the market with the necessary amounts and denominations.</li> </ul>	December 2022	
		August 2022	



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
3.1.2	<p>Policy response on the development of identification systems and identification infrastructure:</p> <ul style="list-style-type: none"> <li>• Ensure the development of the NBU BankID system considering the established key indicators.</li> <li>• Use of the NBU identification system by EU financial institutions for identification: <ul style="list-style-type: none"> <li>• Identify and mitigate legal barriers that may hinder the cross-border use of NBU BankID data.</li> <li>• Ensure the technical integration of pilot EU banks with the NBU BankID system.</li> </ul> </li> </ul>	December 2022	
3.1.3	Develop a conceptual model for simplified authorization of payment service providers that are already duly authorized in the EU, prepare draft regulations/amendments and additions to current legislation that will allow the existence of simplified procedures for authorization of payment service providers that are already duly authorized in the EU	December 2022	
3.1.4	Introduce standards for the provision of financial services by financial institutions through remote channels (speed, availability, continuity) with a ranking of institutions that meet such standards	December 2022	
3.1.5	Simplify and optimize operational activities of volunteer, charitable organizations (currency control, financial monitoring, etc.)	December 2022	
Stage II: January 2023 - December 2025			
3.1.6	<p>Develop a conceptual model for the procedures of transferring accounts of relocated enterprises and IDPs.</p> <p>Develop changes and additions to regulations governing the requirements for the transfer of accounts. This proposal includes the implementation of account transfer procedures currently in use in the EU. According to the procedure, a business will have to apply to a new bank; all other actions,</p>	December 2022	



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
	such as balance transfer, transfer of standing orders, etc., will be performed by the donor bank.		
3.1.7	Manage and provide cash under martial law: <ul style="list-style-type: none"> <li>Introduce innovative elements of logistics and increase the level of cash handling automation.</li> <li>Introduce a tariff policy for cash.</li> </ul>	December 2023	
3.1.8	A complete solution for Cashless <p>Determine the maximum amounts for cash payments for legal entities and individuals, as well as natural persons-entrepreneurs.</p> <p>Determine the executive body that will monitor the established restrictions and penalties for violating such restrictions, including by amending the Civil Code of Ukraine at the legislative level.</p> <p>Also, implement a number of steps by regulators:</p> <ul style="list-style-type: none"> <li>Disclose information by trade aggregator sites about transactions.</li> <li>Amend legislation changes to clarify liability for violations of tax legislation in the field of transactions.</li> <li>Elaborate sources of accountability for administration cost reduction.</li> <li>Finalize the concept for the legal regime of banking secrecy in Ukraine.</li> <li>Develop a plan to increase the involvement of postal infrastructure and non-bank financial institutions in payments, transfers, etc. in the short term. Develop / amend regulations that would allow for a wider provision of financial services by several providers (e.g., transfers, payments, loans to agricultural producers and SMEs from credit unions).</li> </ul>	2025 year	WG on the functioning of the financial system, its reform / Tax policy
3.1.9	Establish the "UCashless"/"Cashless Ukraine" fund for joint financing by participants (state, MES, commercial banks) of the fund's programs, in order to develop the infrastructure of non-cash payments, disseminate and	December 2023	



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
	promote non-cash payments among citizens of Ukraine, and promote innovation, information and educational activities		
3.1.10	Adopt and implement regulations on simplified procedures for authorization of payment service providers that are already duly authorized in the EU	June 2023	
3.1.11	<p>Policy response on the development of identification systems and identification infrastructure</p> <p>Regulate the use of different types of electronic signatures of clients of financial institutions</p> <ul style="list-style-type: none"> <li>• Introduce new models of remote customer identification and verification.</li> <li>• Introduce the transfer of digital documents to financial institutions for the purpose of remote identification and customer verification.</li> <li>• Develop a public key infrastructure and a network of qualified e-trust providers in the financial sector.</li> <li>• Develop the provision of qualified electronic trust services in the financial sector (increase the number of clients of financial institutions using qualified electronic trust services).</li> </ul>	December 2023 December 2024	
3.1.12	<p>Continue to develop the National Strategy for Financial Inclusion (NFIS), which is closely linked to the issues identified in Stage II.</p> <p>Provide a structured and coordinated approach to the collection and dissemination of banking statistics broken down by gender-disaggregated indicators, incl. women-consumers, women-owners of MSEs</p>	2025 year	
3.2. Strengthen the protection of financial services consumers' rights			
Stage I: June 2022 - end of 2022			
3.2.1	<p>Deposit Guarantee Policy Response</p> <ul style="list-style-type: none"> <li>• Elaborate on the possibility of extending the DGF guarantee to other bank depositors' categories, in particular to legal entities, and</li> </ul>	December 2022	WG on the functioning of the financial system, its reform / Budget Policy



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
	develop a roadmap for increasing the amount of repayments of deposits in banks.		
Stage II: January 2023 - December 2025			
3.2.2	<p>Deposit Guarantee Policy Response</p> <ul style="list-style-type: none"> <li>Develop and implement a deposit guarantee system for credit union members based on the DGF (with a potential source of recapitalization from international partners).</li> <li>Create a system for guaranteeing payments under accumulative life insurance contracts (with a potential source of recapitalization from international partners).</li> </ul>	December 2024 (but not before the entry into force of the new law on credit unions) December 2025	WG on the functioning of the financial system, its reform / Budget Policy
3.2.3	Create a single window for financial services consumers to receive consolidated information on the activities of banks and financial institutions	December 2024	
3.2.4	Implement the requirements of the General Data Protection Regulation (EU GDPR) for the financial sector	December 2024	
3.3. Increase the level of financial literacy of the population			
Stage II: January 2023 - December 2025			
3.3.1	<p>Develop and put into force The National Strategy On Financial Literacy Development.</p> <p>And implement a number of measures to increase financial literacy:</p> <ul style="list-style-type: none"> <li>Create a single communication platform (site) with important information about financial services and features of their use.</li> <li>Implement a program for internally and externally displaced persons and residents of reintegrated territories. Provide information on financial literacy and support for individuals returning from abroad, as well as internally displaced persons (IDPs) returning to their regions in connection with the cessation of hostilities.</li> </ul>	March 2023	WG on digital transformation



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
	<ul style="list-style-type: none"> <li>Introduce targeted programs for the formation of knowledge and skills in the use of financial services.</li> </ul>	December 2024	
3.3.2	Develop an educational program on digital literacy in the financial field	December 2024	WG on digital transformation WG on the issues of education and science
Goal 4. Develop the financial services markets			
4.1. Promote the development of non-bank financial services markets			
Stage II: January 2023 - December 2025			
4.1.1	<p>Establish an effective system for supervising the activities of the Bureau of Credit Histories (BCH): clearly define the regulatory and supervisory objectives, as well as the functions of the regulator.</p> <p>Prepare and submit a relevant bill regulating the exchange of credit information and the activities of credit bureaus to the Verkhovna Rada of Ukraine.</p> <p>Deploy a cross-border data exchange</p> <ul style="list-style-type: none"> <li>Create support for cross-border data exchange of the BCH under current legislation.</li> <li>Analyze current legislation to identify priority areas for the development of changes, and for the legislation of Ukraine governing the exchange of credit information and the activities of credit bureaus.</li> <li>Develop and make amendment to legislation in order to clearly consolidate the possibilities of cross-border data exchange.</li> </ul>	June 2023	



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
4.1.2	Increase the level of international cooperation (including cooperation with foreign regulators the EBA, EIORA and ESMA) in the field of information exchange	December 2024	
4.1.3	Implement amendments to the legislation on the regulation of actuarial activities	December 2024	
4.1.4	<p>Introduce amendments to the legislation on regulating the nuclear insurance market, including the creation of a nuclear insurance concept, as well as by improving the rules for the formation, placement and accounting of insurance reserves for compulsory civil liability insurance for nuclear damage:</p> <ul style="list-style-type: none"> <li>• Accede to the International Convention on Additional Compensation for Nuclear Damage (Vienna, September 12, 1997).</li> <li>• Approve the roadmap for Ukraine's accession to international agreements in the field of civil liability for nuclear damage;</li> <li>• Introduce state supervision over the activities of the Nuclear Insurance Pool.</li> <li>• Bring the concept of reimbursable nuclear damage in line with international conventions and best practices;</li> <li>• Review (increase) the limits of the operator's liability to individual victims of individuals and legal entities (per person).</li> <li>• Introduce a mechanism for the redistribution of pool members' responsibilities.</li> <li>• Promote the expansion of international risk reinsurance of Ukrainian insurers and the Nuclear Insurance Pool of Ukraine.</li> </ul>	December 2024	WG on issues of energy
4.1.5	Introduce a system of environmental insurance activities that pose an increased environmental risk	2025 year	WG on ecological issues
4.1.6	Create the necessary prerequisites for the development of a reliable, transparent and solvent market of credit unions by amending the Law of Ukraine <i>On Credit Unions</i>	December 2023	



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
4.1.7	Introduce a methodology for the comprehensive assessment of the competitiveness of the banking services market of Ukraine to determine the factors of scale, business efficiency and competition of players, based on quantitative indicators and comparison with commensurate markets of other countries	December 2023	
4.1.8	Develop and implement key performance indicators of Ukraine's financial services markets for key market participants	December 2023	
4.2. Integrate the financial market of Ukraine into the world financial space			
Stage I: June 2022 - end of 2022			
4.2.1	Start the SEPA accession project, appeal to the European Payments Council regarding Ukraine's intention to join SEPA, appeal to the Cabinet of Ministers regarding the establishment of a Working Group	December 2022	
Stage II: January 2023 - December 2025			
4.2.2	Initiate the definition of a clear mechanism (procedure) by the European Union for the financial services market of Ukraine obtaining EU internal market status	2025 year	WG on European Integration
4.2.3	International cooperation in the development of financial markets <ul style="list-style-type: none"> <li data-bbox="361 1049 1221 1208">• Develop, approve and implement a roadmap for the "Basic Principles of Insurance" of the International Association of Insurance Supervisors (IAIS) and adapt Ukrainian legislation to EU legislation on insurance regulation, considering the specifics of the national market</li> <li data-bbox="361 1208 1221 1271">• Ensure accession to the International Association of Insurance Supervisors (IAIS)</li> </ul>	December 2024 (after the adoption of a clause on the implementation of regulatory requirements provided by the Association Agreement between Ukraine and the EU, in particular on capital requirements, liquidity, disclosure of information and nuclear insurance)	
Goal 5. Innovative development			



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
5.1. Develop an open architecture for the financial market, oversight and cash circulation			
Stage I: June 2022 - end of 2022			
5.1.1	<p>Implement the ISO 20022 standard</p> <ul style="list-style-type: none"> <li>Prepare normative legal acts that will regulate the implementation of the ISO 20022 standard.</li> <li>Implement a technology platform for the international standard ISO 20022 (subject to funding and / or international technical assistance).</li> <li>Take measures to stimulate the implementation of ISO 20022 standards by market participants.</li> </ul>	December 2022	
5.1.2	<p>Develop the EPS (Electronic Payment System)</p> <ul style="list-style-type: none"> <li>Implement EPS-4 and transfer it to 24/7 mode (with funding and / or international technical assistance).</li> <li>Determine the optimal model of instant payment architecture and a roadmap for its implementation in the EPS.</li> </ul>	December 2022	
Stage II: January 2023 - December 2025			
5.1.3	Prepare draft regulations related to the introduction of the instant payment system	December 2024	
5.1.4	Ensure implementation of the system of instant payments, including technological (subject to funding and / or international technical assistance)	December 2024	
5.1.5	<p>Develop the PROSTIR National Payment System</p> <ul style="list-style-type: none"> <li>Ensure the acceptance of NPS PROSTIR cards in the entire card payment infrastructure of Ukraine.</li> <li>Ensure further development of the issue of NPS PROSTIR cards and their popularization among the issuing banks of Ukraine.</li> </ul>	December 2024	



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
	<ul style="list-style-type: none"> <li>• Increase the recognition of the PROSTIR brand among the population of Ukraine.</li> <li>• Implement the ability to pay for PROSTIR products using electronic wallets (Google Pay, Apple Pay, etc.).</li> </ul>		
5.1.6	Promoting establishment of open banking in Ukraine, develop industry standards and create conditions for their effective implementation	December 2025	
5.2. Ensure the development of the Fintech, SupTech, RegTech and digital technologies market			
Stage I: June 2022 - end of 2022			
5.2.1	Policy response regarding e-hryvnia <ul style="list-style-type: none"> <li>• Prepare an updated concept for the issuance of the e-hryvnia with an analysis of different models for its issuance.</li> </ul>	December 2022	
Stage II: January 2023 - December 2025			
5.2.2	Create regulatory and technical sandboxes (subject to funding and / or international technical assistance)	December 2024	
5.2.3	Create a favorable environment to stimulate introduction of innovative technologies in compliance with financial market participants: <ul style="list-style-type: none"> <li>• Introduce communication principles for interaction between financial market participants, REGTEK companies and regulators (conferences, round tables) to assess the impact of the introduction of regulatory technologies on the market.</li> <li>• stimulate the implementation of the best world practices of RegTech companies' decisions and their use by financial market participants.</li> </ul>	December 2023	
5.2.4	Introduce a single Register of Payment Infrastructure.	December 2024	
5.2.5	Policy response regarding the e-hryvnia <ul style="list-style-type: none"> <li>• Issue digital money of the National Bank (e-hryvnia). (subject to funding and / or international technical assistance).</li> </ul>	December 2024	



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
5.2.6	<p>Explore the possibilities of using CBDC for public procurement, social benefits and to promote the tool</p> <p>Use digital currency by the NBU (CBDC) for public procurement:</p> <ul style="list-style-type: none"> <li>• Develop specification for the integration of the e-hryvnia in the procurement process.</li> <li>• Involve a technical platform provider.</li> </ul> <p>Use of digital currency by the NBU (CBDC) for public procurement:</p> <ul style="list-style-type: none"> <li>• Develop regulations.</li> <li>• Launch the project on an experimental basis.</li> <li>• Adopt regulations.</li> <li>• Develop and implement NBU regulations, which will regulate the issuance and circulation of the e-hryvnia</li> </ul>	October 2023	
5.2.7	<p>Simplify the administration of supervisory procedures:</p> <ul style="list-style-type: none"> <li>• Introduce mechanisms to control the legality of the use of non-bank financial institutions in the provision of financial services, including information and telecommunications systems, names and trademarks of other financial institutions.</li> <li>• Introduce an internal analytical platform for comprehensive analysis of customer information and financial sector operations, owned by government agencies and financial services providers: <ul style="list-style-type: none"> <li>◦ Develop a methodology for calculating personal indicators according to individual classifiers (fictitious entrepreneurship, fraud, etc.).</li> <li>◦ Implement EWS and scoring models in some areas of analysis of bank customers using artificial intelligence.</li> <li>◦ Use all available sources of information (information from banks, public authorities).</li> </ul> </li> </ul>	December 2023	
		December 2024	



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
	<ul style="list-style-type: none"> <li>Introduce the automation of instruments used for the supervision of banks and non-bank institutions in the field of financial monitoring, compliance with currency and sanctions legislation.</li> <li>Develop and implement algorithms for detecting violations of the deadlines for the provision of information to the SCFM by the subjects of primary financial monitoring.</li> </ul>		
5.3. Develop the digital economy			
Stage I: June 2022 - end of 2022			
5.3.1	<p>Integrate the state banks' information systems with state registers and information systems of the State Tax Service:</p> <ul style="list-style-type: none"> <li>Facilitate the introduction of a certificate of payment for the unified social contribution in electronic form.</li> <li>Reduce the costs of banking institutions for the processing of collection orders, the costs of the State budget – for collection orders preparation, approval, and sending, increase revenues to the state and local budgets through instant receipt and processing of collection orders to banking institutions.</li> <li>Amend the Procedure dated 3 September 2018 No. 733 <i>On approval of the Procedure for providing a certificate of absence of arrears of payments, control over the collection of which is entrusted to the supervisory authorities</i>. Based on the order of the Ministry of Finance of Ukraine dated February 13, 2015 No. 67 (as amended) <i>On approval of forms of information on payment of taxes by natural monopolies and business entities that are payers of rent for subsoil use; information on business entities that have a tax debt and the procedure for their publication</i>, introduce a standardized API for data exchange between banking institutions and the State Tax Service.</li> <li>Establish information exchange and interaction between the State Tax Service of Ukraine and banking institutions in an automated manner in accordance with the provisions of paragraph 42-1.2 of</li> </ul>	2022 year	WG on functioning of the financial system, its reform / Tax policy



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
	<p>Article 42-1 of the Tax Code of Ukraine, effective July 1, 2022, namely, to consent to data transfers from the taxpayer's open office by client's submission of the corresponding application from Internet banking or a mobile application signed with a Qualified Electronic Signature.</p> <ul style="list-style-type: none"> <li>• Consolidate the obligation of the State Tax Service to provide banks with information on the codes and accounts of the State Tax Service to which the relevant tax must be paid through the API (by analogy with how it is implemented in the DIIA mobile application).</li> <li>• Expand the list of parameters that should be available to banks through the State Tax Service API.</li> </ul>		
Stage II: January 2023 - December 2025			
5.3.2	<p>Implement European standards for ensuring open registers and the exchange of API information in the interests of financial services consumers</p> <ul style="list-style-type: none"> <li>• Ensure the opening of registers of government agencies to the financial ecosystem according to the API</li> <li>• Develop and implement unified databases, information security rules, and the procedure for exchanging information between information databases, including through the API.</li> <li>• Improve the exchange of information between regulators and other government agencies: <ul style="list-style-type: none"> <li>○ Determine the perimeter of information assets in accordance with the need to obtain them from the financial sector to perform their functions.</li> <li>○ Identify, process and eliminate legal (access to information, legitimacy of the received information) and technical (including protection of information) barriers to the exchange of relevant information in electronic form.</li> </ul> </li> <li>• In order to automate the process of clients' personal information transfer from banks to government agencies, introduce of an</li> </ul>	2025 year	<p>WG on digital transformation WG on the rule of law</p>



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
	effective mechanism (regulatory procedure) in the field of electronic data exchange between the subjects of power of state electronic information resources during the provision of administrative services.		
5.3.3	<p>Implement European standards for modifying reporting approaches to improve the efficiency of regulators and supervisory processes:</p> <ul style="list-style-type: none"> <li>• Strengthen cooperation between regulators to optimize the disclosure requirements of financial ecosystem actors, in particular in the iXBRL format.</li> <li>• Develop the regulations necessary for optimization of disclosure requirements by financial ecosystem entities, in particular in iXBRL format.</li> <li>• Introduce a platform for information and messages exchange between the regulator and market participants in electronic form. Identify technology that will support the functioning of a single platform.</li> <li>• Define the legal framework for the operation of a single platform for the information and messages exchange between the regulator and market participants in electronic form and, if necessary, prepare amendments to legislation and regulations.</li> <li>• Introduce a full-fledged exchange of protected and legitimate information assets in electronic form between regulators and other financial market participants within the framework of their powers.</li> </ul>	2025 year	WG on the Functioning of the financial system, its reform / Capital markets
5.3.4	<p>Implement European standards for document automation in the interests of financial services consumers and financial market regulators (Paperless)</p> <ul style="list-style-type: none"> <li>• Facilitate the further transition of documents (including cash, documents accompanying the registration of financial products, etc.) in electronic format: to increase the terms of submission by the accountable persons of the report on used means issued on business trips or under the report, on non-cash settlements which were carried out with use of a corporate payment card; give the right to</li> </ul>	2025 year	



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
	<p>accountable persons to provide in electronic form supporting documents confirming the expenditure of funds issued for business trips or for reporting, by non-cash payments made by them, including with the use of payment cards (personal / corporate).</p> <ul style="list-style-type: none"> <li>• Facilitate the transition to electronic document management of market participants with government agencies.</li> <li>• Facilitate the regulation of issues related to the use of cloud technologies in the financial market.</li> <li>• Optimize archival storage of banks' and NFIs' collegial bodies decisions; simplify remote conclusion and execution of agreements with clients; simplify the receipt of documents from clients for currency control, financial monitoring, and obligatory payments control. Possible solutions are: <ul style="list-style-type: none"> <li>• creating a single channel for the transfer of documents between banks, government and other bodies, considering the requirements of banking, trade and insurance secrecy</li> <li>• unifying the requirements for the API of government agencies for integration with banks and NFIs</li> <li>• transitioning to an electronic archive of bank and NFI documents in full.</li> </ul> </li> </ul>		
5.3.5	Build and certify the NBU data processing center in accordance with the requirements of the international Uptime Institute Tier IV (subject to funding and / or international technical assistance)	December 2024	
5.4. Cyber resilience of the financial system			
Stage I: June 2022 - end of 2022			
5.4.1	Harmonize and implement legal and regulatory requirements for the cybersecurity of the financial sector:	December 2022	



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
	Pass the external (European) certification of the Information Security Management System.		
Stage II: January 2023 - December 2025			
5.4.2	<p>Introduce NBU supervision over banks and NFIs regarding cyber resilience</p> <ul style="list-style-type: none"> <li>Streamline regulations to monitor cyber resilience in non-bank financial institutions.</li> <li>Legislate the powers of the NBU to implement state regulation on cybersecurity and information security in the financial sphere.</li> <li>Introduce specialized supervision over the scope of banks' activities, considering international experience and the results of diagnostic surveys.</li> <li>Introduce control / supervision of cybersecurity in banks.</li> </ul>	December 2024	
5.4.3	Improve approaches to the use of international protection standards and cryptographic transformation of information, along with Ukrainian ones	December 2024	
5.4.4	<p>Develop the NBU Cyber Defense Center</p> <ul style="list-style-type: none"> <li>Analyze the possibilities for developing the Cyber Defense Center in terms of improving FinTech companies' cyber security.</li> <li>Ensure information exchange with international and national partners on capacity building of the National Bank's Cyber Security Center.</li> <li>Develop the services and capabilities of the NBU's Cyber Defense Center to detect and respond to cyber incidents and cyberattacks.</li> </ul>	December 2024	



### 3. List of national projects corresponding with tasks under Section 2.3 (for the relevant task)

Project description to the task under Section 2.3	Project justification	Qualitative indicators of project implementation	Economic effect (impact on GDP, budget, employment, etc.)	Responsible authority	Required financing (million UAH)	Proposed sources of financing	Regulatory support	Related area of EU regulation (in general)
-	-	-	-	-	-	-	-	-



## 4. The necessity of legal amendments

No	Name of the regulatory act for the task from subsection 2.3	Content of development and changes to the regulatory act	State authority	Deadline for development	Deadline for entry into force
1	1.1.1. Develop and implement a plan for temporary simplification or modernization of regulatory requirements for capital, liquidity, information disclosure; and the gradual restoration of the banks' capital adequacy level, given the actual state of banks after the crisis caused by the military invasion of Russia – amendments to the Resolution of the Board of the NBU № 351 <i>On approval of the Regulation on determining the amount of credit risk by banks of Ukraine for active banking operations</i> dated 30 June 2016	Improve the approaches to assessing the banking operations credit risk size	NBU	30/06/2022	31/12/2022
2	2.2.5. Implement measures to increase the institutional capacity of the DGF. Amendments to the	Improve the functioning of the DGF	Committee on Finance, Tax and Customs Policy, DGF	30/09/2022	31/03/2023



	Law of Ukraine <i>On the system of guaranteeing deposits of individuals</i>				
3	1.1.4. Implement regulatory requirements under the EU-Ukraine Association Agreement, in particular on capital requirements, liquidity and disclosure. - Regulations on the organization of the process of assessing the adequacy of internal liquidity in Ukrainian banks and banking groups; regulation project on <i>calculation of regulatory capital; amendments to the administrative acts of the National Bank that determine the procedure for assessing banks according to the SREP methodology and approaches to the current monitoring of the financial condition of banks</i>	ILAAP requirements: a draft Regulation on the organization of the internal liquidity adequacy assessment process in Ukrainian banks and banking groups has been developed, which is being finalized based on the results of the banking community's proposals.  New requirements for the capital structure: a draft legal act on the calculation of regulatory capital has been developed, which is being finalized based on the results of the banking community's proposal.  Improve banking supervision instruments: revise and prepare amendments to the National Bank's regulations that determine the procedure for assessing banks according to the SREP methodology and approaches to the current monitoring of banks' financial condition – currently underway	NBU, NSSMC	31/03/2024	31/12/2024
4	1.1.5. Improve the efficiency of NFI management – <i>amend the Regulations on the procedure of supervision on a consolidated basis for non-bank financial groups</i>	Preparation of amendments to the Regulation on the procedure for non-bank financial groups supervision on a consolidated basis (Board Resolution № 128 dated 2 December 2021) (Directive 2002/87/EU) has begun	NBU, NSSMC	30/06/2024	31/12/2024



5	1.1.6. Introduce payment instruments oversight in accordance with international standards; 1.1.7. Ensure the development of significant financial market infrastructure monitoring – develop regulations in accordance with the Law of Ukraine <i>On Payment Services</i>	Introduce an effective oversight of payment instruments in accordance with the Payment Services Directive 2.	NBU	30/06/2024	31/12/2024
6	3.2.2. Deposit Guarantee Policy Response - amend the Law of Ukraine <i>On the Deposit Guarantee System for Individuals</i> (but not earlier than the entry into force of the Law <i>On Credit Unions</i> dated 1 July 2021)	Introduce a deposit guarantee system for credit union members: draft legislative proposals for the Law of Ukraine <i>On the Deposit Guarantee System for Individuals</i> and corresponding amendments to the Law of Ukraine <i>On Credit Unions</i> are required for the introduction of a deposit guarantee system for credit union members	DGF, NBU	30/06/2024	31/12/2024
7	1.2.1. Improve macroprudential tools	Requirements for significant concentrations of credit risk: prepare a draft concept for improving the requirements for significant exposures is ongoing.  New requirements for the leverage ratio: prepare a draft regulatory act on the leverage ratio is ongoing.  Prepare a draft law on the settlement of bank insolvency in accordance with Directive 2014/59/EU.  Prepare and discuss the text of the draft amendments to the Law of Ukraine <i>On Banks and</i>	NBU  DGF	30/06/2024  30/06/2024	31/12/2024  31/12/2024



		<i>Banking, considering the comments and suggestions received from World Bank experts</i>			
8	2.1.7. Policy response on trade finance - <i>prepare a Draft Law of Ukraine</i>	Develop and adopt a Law of Ukraine to promote the comprehensive development of factoring as a tool for short-term financing (including SMEs)	NBU, Committee on Finance, Tax and Customs Policy	31/09/2024	31/12/2024
9	1.3.3. Implement sustainable financing practices based on effective corporate governance, which includes environmental, social and governance factors (ESG) - <i>Develop amendments to the regulations on ESG risk management in banks</i>	Improve the legislation in accordance with the adopted Sustainable Financing Development Policy until 2025	NBU	30/09/2024	31/12/2024
10	3.1.11. Policy response on the development of identification systems and identification infrastructure - <i>Draft Law of Ukraine On Amendments to Certain Legislative Acts of Ukraine Concerning Ensuring the Conclusion of an Agreement between Ukraine and the European Union on Mutual Recognition of Qualified Electronic Trust Services and the Implementation of European Union Legislation in the Field of Electronic Identification</i> (№ 6173 of 12 October 2021).	<p>1. Draft Law of Ukraine <i>On Amendments to Certain Legislative Acts of Ukraine Concerning Ensuring the Conclusion of an Agreement between Ukraine and the European Union on Mutual Recognition of Qualified Electronic Trust Services and the Implementation of European Union Legislation in the Field of Electronic Identification</i> (№ 6173 of 12 October 2021).</p> <p>2. Draft resolutions of the NBU Board have been prepared:</p> <ul style="list-style-type: none"> <li>• <i>On approval of the Regulation on the use of enhanced authentication in the payment market</i></li> <li>• <i>On approval of the Regulation on risk management in the payment market.</i></li> </ul>	NBU, Ministry of Finance of Ukraine, Ministry of Justice of Ukraine, Ministry of Digital Transformation of Ukraine, Migration Service of Ukraine, NSSMC	30/09/2024	31/12/2024



	<i>Electronic Identification; draft resolutions of the NBU Board</i>				
11	3.2.1. Deposit Guarantee Policy Response – amendments to the Law of Ukraine <i>On the Deposit Guarantee System for Individuals</i>	Study the possibility of extending the DGF guarantee to other categories of bank depositors, in particular to legal entities, and to develop a roadmap for increasing the amount of repayment of deposits in banks	DGF NBU	30/09/2022	31/12/2022
12	4.1.6. Create the necessary prerequisites for the development of a reliable, transparent and solvent market of credit unions by amending the Law of Ukraine <i>On Credit Unions</i>	Draft Law of Ukraine <i>On Credit Unions</i> (№ 5125) has been prepared for second reading	NBU	30/06/2023	31/12/2023
13	2.2.5. Implement measures to increase the institutional capacity of the DGF – amendments to the Law of Ukraine <i>On the Deposit Guarantee System for Individuals</i>	<p>1. Adopt changes that would shift the focus of the DGF's asset-selling instruments to borrow from borrowers themselves through loan restructuring and / or the issuance of bonds secured by these troubled loans (asset securitization of insolvent banks).</p> <p>2. Improve the legislation in the field of assets and liabilities transfer from an insolvent bank to a solvent (receiving) bank:</p> <ul style="list-style-type: none"> <li>▪ Fully implement Directive 2014/59/EU, including the establishment of a Settlement Fund through which financial support to host banks can be provided.</li> <li>▪ Extend Directive 2014/59/EU to any bank, not just systemically important ones.</li> <li>▪ Simplify the mechanism of liabilities (deposits) conversion into the capital (bail-in) of the bank,</li> </ul>	DGF Cabinet of Ministers of Ukraine NBU NSSMC	30/06/2025	31/12/2025



		<p>clarify the requirements for the list of deposits suitable for the conversion of liabilities into bank capital.</p> <ul style="list-style-type: none"> <li>▪ Regulate methods of restoring the solvency of borrowers of insolvent banks.</li> </ul> <p>3. Adopt amendments to the regulations that will allow the DGF to use financial instruments (derivatives) to cover the risks of the DGF under the guarantees provided.</p> <p>4. Adopt amendments to regulations that will regulate the procedure for transferring all assets whose credit risk has increased to 100% to a separate institution in exchange for bonds of this institution in an amount equal to their net asset value as of 23 February 2022</p>			
14	<p>2.1.10. Improve the functions of the NBU Credit Register</p> <p>2.1.11. Launch of the updated Credit Register platform – amend the Law of Ukraine <i>On the organization of the formation and circulation of credit histories</i>, the Law of Ukraine <i>On personal data protection</i>, Law of Ukraine <i>On financial services and financial companies</i>, adopt new / amend existing NBU regulations regulating credit information exchange, credit histories and the</p>	Improve the legislation governing the improvement of the NBU Credit Register's functions	<p>Verkhovna Rada of Ukraine NBU</p>	31/07/2023	31/01/2024



	functioning of the Credit Register of the NBU				
15	4.1.1. Establish an effective system for supervising the activities of the Bureau of Credit Histories. Deploy cross-border data exchange – amend the Law of Ukraine <i>On the organization of the formation and circulation of credit histories</i> , the Law of Ukraine <i>On personal data protection</i> , the Law of Ukraine <i>On financial services and financial companies</i> , adopt new / amend existing NBU regulations regulating credit information exchange, credit histories and the functioning of the Credit Register of the NBU	<p>Clearly define the regulatory and supervisory objectives, as well as the functions of the regulator. Prepare and submit a relevant bill regulating the exchange of credit information and the activities of credit bureaus to the Verkhovna Rada of Ukraine.</p> <p>Improve legislation governing the cross-border credit information exchange establishment, which will promote Ukraine's integration into the European financial space</p>	Verkhovna Rada of Ukraine NBU	31/01/2023	30/06/2023
16	5.3.4. Implement European standards for document automation in the interests of financial services consumers and financial market regulators (Paperless) – Law of Ukraine <i>On Amendments to the Tax Code of Ukraine</i> (draft 4366), Resolution of the	Update the legislation on requirements to SG on acceptance of non-cash payments, simplify the reporting on transactions with the use of corporate payment cards procedure. Abolish the requirement to provide originals (in paper form) of supporting documents for card transactions and a limited period for reporting transactions. The Verkhovna Rada Committee supported the EBA proposals and by its Decision dated 15 December 2021 recommended them for consideration during the finalization of Draft Law of Ukraine 4366 <i>On Amendments to the Tax</i>	Verkhovna Rada of Ukraine Cabinet of Ministers of Ukraine Ministry of Economy of Ukraine	30/09.2022	31/01/2023



	Cabinet of Ministers of Ukraine <i>On setting deadlines for traders to ensure the possibility of non-cash payments for goods sold (services provided) by them</i>	<i>Code of Ukraine (concerning Payment Services) until second reading (4366 was not voted on).</i> The Ministry of Economy of Ukraine has developed a draft resolution of the Cabinet of Ministers of Ukraine, in accordance with the provisions of the Law of Ukraine <i>On Payment Services</i> . Currently, the procedure for the internal approval of the Draft Resolution by the Ministry of Economy is ongoing			
17	2.1.9 Improve credit technologies (reduction of costs, including time, for decision-making and loan administration) – amendments to the Resolution of the Cabinet of Ministers of Ukraine № 28 dated 24 January 2020	Add innovative non-bank financial institutions that can receive loans under the state "Affordable Loans" program	Cabinet of Ministers of Ukraine	01/01/2023	01/06/2023
18	2.2.3. Develop a program of social lending and loan restructuring for military service members using recovery funds and / or international funds	Social lending program for military service members. Establish which types of military service members can be credited on preferential terms. Partial coverage of creditors' risks of possible loans non-repayment received by military service members. Partial compensation of creditors losses from restructuring conditions for servicemen	Cabinet of Ministers of Ukraine NBU	01/01/2023	01/03/2023
19	1.1.5. Improve the efficiency of NFI management – amendments to the Regulation <i>On licensing and registration of financial service providers and conditions of their financial services activities</i>	Simplify the equity increasing procedure (a capital increase of 1% requires the submission of many documents at the request of the regulator)	NBU	01/12/2022	01/01/2023



20	2.1.1 Introduce military-political risks insurance - incl. possible introduction of a military risks insurance program for the population and business through the creation of a Compensation Fund (Pool) on the basis of public-private partnership	<ul style="list-style-type: none"> <li>▪ Adopt amendments to the legislation on the introduction of military-political risks insurance (in particular: requirements for the parties to insurance contracts; subject of insurance contract; insurance risks and insurance cases; procedure for determining the insurance amounts; procedure for payment (compensation) of insurance payments; procedure and conditions for making insurance payments, conditions for terminating the insurance contract, etc.) and the spread of legislative changes in Ukraine.</li> <li>▪ Adopt a regulation of the NBU that would establish the "the game rules" (criteria for selecting insurers and insurance brokers, the order of participants interaction in the process, etc.).</li> <li>▪ Extend the Pool's activities to a wide range of areas of the state's economy, covering the protection of both material objects and human life and health from military and political risks.</li> </ul>	NBU Ministry of Economy of Ukraine	30/09/2022	31/12/2022
21	2.1.1 Introduce military-political risk insurance – <i>amend tax legislation</i>	Elaborate the need to amend the regulations on the issues of taxation of military-political risks insurance activities	Ministry of Finance of Ukraine Verkhovna Rada of Ukraine NBU	30/09/2022	31/12/2022
22	2.1.1 Introduce military-political risk insurance – <i>amend the regulations in terms of military-political risk insurance throughout Ukraine</i>	Introduce a military-political risk insurance: <ul style="list-style-type: none"> <li>▪ through the involvement of non-resident insurance companies of Ukraine; International Financial Institutions (Lloyd's of London, Multilateral Investment Guarantee Agency (MIGA))</li> </ul>	Verkhovna Rada of Ukraine NBU	31/12/2022	2025 year



		<ul style="list-style-type: none"> <li>▪ through the creation of a state investment insurance system based on ESA or on a newly established investment promotion agency.</li> </ul> <p>The recommended changes in the legislation concern the following issues: requirements to the parties to insurance contracts; the subject of the insurance contract; insurance risks and insured events; the procedure for determining insurance amounts; the procedure for payment (compensation) of the insurance payment; the procedure for concluding insurance contracts; the procedure and conditions for making insurance payments; and conditions of insurance contract termination; criteria for selecting insurers and insurance brokers, the order of participants interaction in the process, etc.</p>			
23	2.1.5. Increase efficiency and expand access to existing funds and lending programs, state guarantees, and risk insurance coverage of certain business types to restore Ukraine's economy. Provide funding with reconstruction funds and / or using the funds of international donors – <i>develop a concept and amend relevant regulations</i>	<p>The procedure for submitting the application form of economic entities for obtaining guarantees for economic recovery loans.</p> <p>Clarification of business entity categories of that fall under this guarantee.</p> <p>Ensure the effective functioning of existing Funds, improve the regulations on supervision, risk management system, credit risk management, liquidity, credit policy, preparation and reporting.</p> <p>Increase the efficiency of corporate governance in existing funds, diversification of funding sources.</p> <p>Provide funding from reconstruction funds and/or international donors.</p> <p>Elaborate the possibility of introducing a bank guarantee for the Ukrainian producers' participation in international procurement</p>	Cabinet of Ministers of Ukraine	31/10/2022	31/12/2022



24	2.2.1. Policy Response on loan restructuring – <i>Draft Law of Ukraine On Amendments to the Law of Ukraine On Financial Restructuring and some other laws of Ukraine</i>	Extend the validity of such an instrument as NPL settlement and restore the creditworthiness of business borrowers as financial restructuring, extending it to a wider range of borrowers and reducing access to the instrument.  The goal is to increase the creditworthiness of corporate borrowers and to settle non-performing loans due to the war	Verkhovna Rada of Ukraine	31/03/2023	31/08/2023
25	2.2.1. Policy Response on loan restructuring – <i>amend relevant regulations</i>	Amendments to the NPA on the issues of the developed mechanics of individuals and legal entities loans restructuring taxation, lost loans collateral	Ministry of Finance of Ukraine DGF (if necessary) Verkhovna Rada of Ukraine NBU	30/09/2022	31/12/2022
26	2.2.1. Policy Response on loan restructuring – <i>amend relevant regulations</i>	<ul style="list-style-type: none"> <li>▪ Develop mechanics for borrowers (individuals) affected by war loan restructuring at the expense of international donors, reconstruction funds.</li> <li>▪ Develop mechanics for loan restructuring of borrowers (legal entities) affected by the war (including through the application of the Kyiv Approach / Financial Restructuring) at the expense of international donors, recovery funds.</li> <li>▪ Legislatively regulate credit relations under which the collateral is lost or its market value has decreased due to the war.</li> <li>▪ Create a state register of lost assets (real estate, movable property, other assets).</li> <li>▪ Elaborate the possibility of all assets transfer legislative regulation, the credit risk of which has increased to 100%, to a single institution in exchange for the bonds of this institution.</li> </ul>	NBU DGF Ministry of Finance of Ukraine Ministry of Justice of Ukraine	30/09/2022	31/12/2022



27	5.3.4. Implement European standards for document automation in the interests of financial services consumers and financial market regulators (Paperless) – amend the Rules of application of the list of documents formed in the activities of the National Bank of Ukraine and banks of Ukraine, approved by the Resolution of the Board of the National Bank of Ukraine № 130 dated 27 November 2018	Grant the status of temporary storage documents by the decision of the bank's collegial bodies	NBU	Stage II	2025 year
28	3.1.11. Policy response on the development of identification systems and identification infrastructure – make amendments to the Regulation on the use of electronic signatures in the banking system of Ukraine (Resolution of the Board of the NBU № 78 dated 14 August 2017)	Anticipate the possibility of creating / using Qualified Electronic Signatures (QES) / simple ES for signing contracts / documents in the relationship between the bank and the client, if the signature is created during remote identification / verification of the client and using software used by the Bank, and provide unique identification of the person using QES simple ES	NBU	30/09/2023	31/12/2023
29	5.3.3. Implement European standards for modifying reporting approaches to improve the efficiency of regulators and supervisory processes	Establish that electronic copies of documents scanned from the originals may be submitted by means of software and the "client-bank", "client-Internet bank" or other software and hardware complexes used by the bank. The client is	NBU	Stage II	2025 year



	<p><i>-amend the Instruction on the procedure for foreign exchange supervision of banks for compliance by residents with the deadlines for settlements for export and import of goods, and the Regulation on protection measures and determination of the procedure for certain transactions in foreign currency</i></p>	<p>responsible for the validity of the documents in a copy provided by him.</p> <p>Copies of documents in electronic form, provided to the bank in a manner other than that specified in the previous paragraph, must be certified by a qualified electronic signature</p> <p>The bank provides a fixation of the method of providing the client with electronic copies of documents</p>			
30	5.3.1. Integration of state banks' information systems with state registers and information systems of the State Tax Service – <i>amend the Instruction on non-cash payments in Ukraine in the national currency</i>	Establish the right for clients to submit documents confirming the absence of grounds for the bank to control the payment of USC and / or payment of USC and Income Tax / military fees through remote service channels, with certification of copies of QES documents of the client / client's representative remote service system itself requires proper authorization from the customer)	NBU Ministry of Finance of Ukraine	01/09/2022	31/12/2022
31	3.1.11. Policy response on the development of identification systems and identification infrastructure – <i>amend the Regulations on financial monitoring by banks</i>	Establish that the Bank may take measures to update customer data, other measures of proper verification using remote service systems, means of e-mail with QES / advanced electronic signature, telephone, call center, other remote communication channels within the technical capabilities of the bank. In any case, the bank shall document the taking of these measures in such a way as to be able to demonstrate their proper application	NBU	01/09/2024	31/12/2024
32	5.3.4. Implement European standards for document automation in the interests of	Grant the NBU the exclusive right to regulate the use of banks as objects of critical cloud services infrastructure	NBU Verkhovna Rada of Ukraine	Stage II	2025 year



	consumers of financial services and financial market regulators (Paperless) – amend the Law of Ukraine <i>On Cloud Services</i> , the Regulations on the Application of Cloud Computing Technology by Banks and provision of cloud services (currently being drafted), Regulations on the organization of accounting, accounting control during the implementation of operational activities in the banks of Ukraine	Abolition of the Cabinet of Ministers of Ukraine regulation of the procedure for concluding agreements on the banks' use of cloud services Abolish Ukrainian legislation on the mandatory application of agreements on the provision of cloud services to banks by foreign providers Maximum availability and universality of banks' use of the cloud environment, no bans / restrictions on the use of the world's leading providers' services (including the physical location of servers in the EU) Withdrawal of obligatory storage of information on servers located on the territory of Ukraine (currently for the period of martial law this norm is not actually applied, placement on servers outside the territory of Ukraine is temporarily allowed)			
33	2.2.6. Initiate amendments to procedural legislation regarding financial services disputes - in order to balance creditors' rights – amend the Family Code of Ukraine, the Law of Ukraine <i>On Child Protection</i> , the Law of Ukraine <i>On Mortgage</i> , the Law of Ukraine <i>On Fundamentals of Social Protection of Homeless Citizens and Homeless Children</i> , the Law of Ukraine <i>On the Unified</i>	Eliminate the need for the consent of a guardianship and trusteeship body to mortgage housing, which is only purchased on credit and, subject to obtaining a loan and purchase, be used for a child's residence (Family Code of Ukraine, Article 177)  Eliminate the need for the consent of the body of guardianship and trusteeship to mortgage housing, which is only purchased on credit and, subject to obtaining a loan and purchase, used for a child's residence (the Law of Ukraine <i>On Child Protection</i> , Articles 17 & 18)  Clarify the procedure for eviction and deregistration of residents when applying for foreclosure on real estate (the Law of Ukraine <i>On Mortgage</i> , Article 40)	Verkhovna Rada of Ukraine  Verkhovna Rada of Ukraine  Verkhovna Rada of Ukraine	01/03/2023  01/10/2022  31/12/2022	01/07/2023  01/03/2023  01/07/2023



	<p><i>State Demographic Register and Documents Proving Ukrainian Citizenship or its special status</i></p> <p>Exclude the need for the consent of a guardianship and trusteeship body to mortgage housing, which is only purchased on credit and, subject to obtaining a loan and purchase, is used for a child's residence (the Law of Ukraine <i>On Fundamentals of Social Protection of Homeless Citizens and Homeless Children</i>, Art. 12)</p> <p>Establish the presumption of data contained in the register accuracy, provide access to the register to creditors for the purpose of transactions (the Law of Ukraine <i>On the Unified State Demographic Register and documents confirming citizenship of Ukraine, identity or special status</i>, Article 8,11)</p>	<p>Verkhovna Rada of Ukraine</p> <p>Verkhovna Rada of Ukraine</p>	<p>01/10/2022</p> <p>01/10/2022</p>	<p>01/03/2023</p> <p>01/03/2023</p>	
34	<p>2.1.7. Policy response on trade finance – amend the Law of Ukraine <i>On Securing Creditors' Claims and Registration of Encumbrances</i> and the Law of Ukraine <i>On Pledges</i>; to adopt the Law of Ukraine <i>On Factoring</i></p>	<p>Improve the legal and regulatory framework for the development of ABF (trade factoring tools) and electronic invoicing (e-invoicing):</p> <ul style="list-style-type: none"> <li>• Settle cases of legal ambiguity and uncertainty regarding the regulation of collateral, especially regarding the priority of creditors' claims.</li> <li>• Ensure that the regulatory framework provides effective enforcement methods as key prerequisites for increasing secured credit.</li> <li>• Modernize the existing register of creditors' claims and harmonize it with modern standards of maintaining a register based on notifications.</li> <li>• Develop strategic approaches to the regime of legal regulation of relations in the field of reverse factoring (make adjustments and clarifications to the provisions of the Civil Code governing the assignment of requirements in general and factoring in particular, and ensure that these rules meet the latest international</li> </ul>	<p>Verkhovna Rada of Ukraine NBU</p>	<p>Stage II</p>	<p>2025 year</p>



		<p>standards) and calculate risk weights of corporate loans.</p> <ul style="list-style-type: none"> <li>Promote the development of other trade factoring forms (without recourse and international factoring) and forfaiting.</li> </ul>			
35	2.2.1. Policy response on loan restructuring – <i>study the need to develop / amend regulations regarding the settlement of NPLs through the acquisition and recovery of assets</i>	Elaborate on the feasibility and amendments to the regulations regarding the NPL settlement system, in particular, through the ARC tool	Verkhovna Rada of Ukraine NBU	31/12/2022	31/03/2023
36	3.1.1 Management and provision of cash under martial law - <i>amend regulations on the activities of banks and the NBU in the field of financial services</i>	<p>Provide uncontrolled / de-occupied territories with access to financial services, and means of payment (cash/non-cash payments):</p> <ul style="list-style-type: none"> <li>Stimulate banks with tariffs to open mobile branches and ATMs.</li> <li>Prepare amendments to regulations that will allow agents (from banks or NFIs) to be involved in the provision of a wider range of financial products and services.</li> </ul>	NBU	31/10/2022	31/12/2022
37	3.1.6. Develop a conceptual model for the procedures for transferring accounts of relocated enterprises and IDPs - <i>adopt amendments to the regulations governing the servicing of bank customer accounts</i>	Develop a conceptual model, changes and additions to regulations, which provide requirements for the transfer of accounts	NBU	01/03/2023	2025 year



38	3.1.3 Develop a conceptual model of simplified authorization of payment service providers that are already duly authorized in the EU - <i>adopt amendments to the relevant regulations</i>	Prepare draft regulations / amendments and additions to the current legislation that will allow the existence of simplified procedures for authorization of payment service providers, which are already duly authorized in the EU	NBU	31/12/2022	2025 year
39	5.2.6. Explore the possibilities of using CBDC for public procurement, social benefits and to promote the tool - <i>develop / adopt amendments to the relevant regulations</i>	Use of digital currency by the NBU (CBDC) for public procurement: <ul style="list-style-type: none"> <li>▪ Develop technical conditions for the integration of the e-hryvnia in the procurement process.</li> <li>▪ Develop and implement NBU regulations, which will regulate the issuance and circulation of the e-hryvnia.</li> </ul>	Verkhovna Rada of Ukraine NBU	31/10/2023	2025 year
40	3.1.2. Policy response on the development of identification systems and identification infrastructure – <i>develop/adopt amendments to the relevant regulations</i>	Use of the NBU identification system by EU financial institutions for: <ul style="list-style-type: none"> <li>▪ identification and mitigation of legal barriers that may hinder the cross-border use of NBU BankID data</li> <li>▪ ensuring technical integration of pilot EU banks with the BankID system of the NBU.</li> </ul>	NBU	31/12/2022	2025 year
41	2.1.15 Create the Bank for Reconstruction and Development (BRD) – <i>develop / adopt amendments to relevant regulations</i>	Elaboration of expediency and, based on the results of the analysis, development of regulations on creation and principles of the respective bank's functioning	NBU Ministry of Finance of Ukraine	1/07/2023	2025 year
42	1.1.8 Support the legislative establishment of the market for securitization of mortgage,	Improve regulation in terms of agreements on securitization of distressed bank assets.	NBU	01/03/2023	2025 year



<p>leasing and other bank assets in order to secure lending programs with long-term financing and diversify risks – <i>develop / adopt amendments to the relevant regulations</i></p> <p>1.2.3 Establish the market for distressed assets securitization – <i>develop/adopt amendments to the relevant regulations</i></p>	<p>Amendments in legislation regarding the organization of agreements on bank assets securitization.</p>			
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## SUBGROUP 5: CAPITAL MARKETS

### 1. The main issues that need to be resolved as a part of the Recovery Plan in the field of "Finance system operation, its transformation, and development"

Impact of the war on the defined sphere of analysis:	
Key challenges (summarized for a defined scope: <b>Capital markets</b> )	<ol style="list-style-type: none"> <li>1. The significant outflow of capital from Ukraine, a sharp decline in liquidity in local money markets. Loss of assets of real sector enterprises, depreciation of working capital, limited access of enterprises to credit resources of the banking sector</li> <li>2. The simultaneous rapid decline in real and nominal incomes and savings of the population, limited opportunities for citizens to invest in financial instruments</li> <li>3. High risks to the national economy and specific enterprises in the war and post-war economy, which discourage investors from direct investment in the capital of enterprises</li> <li>4. Limited functioning of capital markets due to the cessation of activities of a significant number of market participants during the war (issuers, investors, financial intermediaries)</li> <li>5. Lack of effective mechanisms in the current legislation of Ukraine to finance innovative projects, new technologies and scientific developments, attracting foreign investment for these purposes</li> <li>6. The development of fully functioning capital markets is an extremely important and responsible task for the development of the Ukrainian economy at the present stage</li> <li>7. The need to ensure the further development of capital markets and organized commodity markets of Ukraine in accordance with international standards and European legislation through comprehensive reforms to ensure proper regulation and supervision of these markets, increase investor rights protection, expand the variety of financial instruments and development of market infrastructure</li> <li>8. Strong and efficient domestic capital markets and organized commodity markets will allow the creation of a powerful long-term investment resource that will be invested in the national economy and ensure the formation of capital to cover future costs</li> </ol>
Key opportunities (summarized for a defined scope: <b>Capital markets</b> )	<ol style="list-style-type: none"> <li>1. Activation and increase of efficiency of capital markets and organized commodity markets will help to increase investments in the country's economy and increase revenues to the state budget of Ukraine</li> <li>2. Improving the quality of state regulation and supervision of capital markets and organized commodity markets, development and approval of model documents related to administrative services</li> </ol>



## Impact of the war on the defined sphere of analysis:

	<ol style="list-style-type: none"> <li>3. Ensuring the functioning of an effective system of counteraction to abuse in these markets in accordance with the Objectives and Principles of Securities Regulation of the International Organization of Securities Commissions (IOSCO) and the provisions of European law, will provide the legal preconditions for accession to the IOSCO Memorandum, which will facilitate the integration of domestic markets into global financial markets, which in turn will simplify and increase the attraction of investors (including foreign) in the economy of Ukraine due to increased confidence in investing through capital market instruments</li> <li>4. Accelerate efforts to analyze gaps and bring Ukrainian legislation in line with EU legislation</li> <li>5. The introduction of investment funds in Ukraine in accordance with European rules of activity, such as Undertakings for Collective Investment in Transferable Securities (UCITS), alternative investment funds (AIFs), long-term investment funds (ELTIFs), venture capital funds (EuVECA), social entrepreneurship funds (EuSEF) and money market funds (MMFs), will provide opportunities to effectively attract investment through collective investment mechanisms</li> <li>6. The integration of the Ukrainian capital markets into the European financial space, attraction of foreign investments in the share and debt capital of the real sector renewable enterprises</li> <li>7. The introduction of full functioning of the system of compulsory accumulative pension provision, in combination with I and III levels of the pension system, will provide social guarantees and financial stability to the pension system of Ukraine, and also will promote providing the economy with long-term financial resources</li> </ol>
Key constraints (summarized for a defined scope: <b>Capital markets</b> )	<ol style="list-style-type: none"> <li>1. Significant duration of the process of transforming citizens' savings into long-term domestic financial resources</li> <li>2. Impossibility of proper functions performance by the domestic regulator of capital markets and organized commodity markets, the low institutional capacity of the regulator</li> <li>3. Lack of an effective system of counteraction to abuse in these markets, outdated and discriminatory mechanisms of taxation in capital markets and organized commodity markets negatively affect the further development of these markets in Ukraine due to investors' distrust of proper protection of their interests and lack of incentives to invest through the capital markets instruments</li> </ol>



## 2. Goals, objectives, and stages of the Recovery Plan in the defined scope

### 2.1. Specific goals

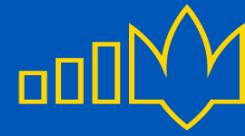
	Stage I: June 2022 – end of 2022	Stage II: January 2023 – December 2025	Stage III: January 2026 – December 2032
<p><b>1.</b> Lack of an effective system of counteraction to abuse in the capital markets and organized commodity markets and proper mechanisms of state regulation and supervision in these markets, including low level of institutional and financial capacity of the domestic regulator of capital markets and organized commodity markets.</p> <p>Capital markets and organized commodity markets, the regulation of which is provided by the Law of Ukraine "On Amendments to Certain Legislative Acts of Ukraine to Facilitate Investment Attraction and Introduction of New Financial Instruments" № 738-IX of 19.06.2020, require an appropriate level of state regulation and supervision.</p> <p>Thus, the issue of improving the protection of investors from abuse in the capital markets and organized commodity markets cannot be resolved without legislative improvement of state regulatory mechanisms in this area. First of all, such legislative improvements should include ensuring the institutional capacity and financial independence of the domestic regulator of capital markets and organized commodity markets, ensuring the functioning of an effective system of counteraction to abuse in these markets, and ensuring international cooperation of the National Securities and Stock Market Commission (NSSMC).</p> <p>The need to bring Ukrainian legislation in line with the Objectives and Principles of Securities Regulation of the International Organization of Securities Commissions (IOSCO), the provisions of EU Regulation № 596/2014 of 16.04.2014 on market abuse (MAR), EU Directive № 2014/57/EU of 16.04.2014 on criminal sanctions against market abuse (MAD) and other EU acts in the field of financial services.</p> <p>In addition, the lack of regulatory equivalence in the areas of confidentiality and professional secrecy does not allow the NSSMC to fully participate in oversight activities to support effective cross-border oversight. This harms the effective regulation of Ukraine's financial markets and their financial stability.</p>			
Each stage's goal to be achieved to solve the problem	<p>1. Improving the legal framework and implementing mechanisms for proper state regulation and supervision of capital markets and organized commodity markets in accordance with international standards and European legislation, as well as building an effective system of counteraction to abuse in these markets</p>	<p>1. Introduction of mechanisms of proper state regulation and supervision of capital markets and organized commodity markets in accordance with international standards and European legislation, as well as building an effective system of counteraction to abuse in these markets</p> <p>2. Achieve compliance with EU legislation of domestic</p>	



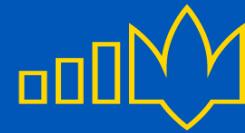
	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
		legislation on the regulation of professional secrecy in capital markets in order to deepen the interaction of the NSSMC with ESMA	
Deadline within the stage	31.12.2022	31.12.2023	
Risks for achieving the goal	Inconsistency of positions, lack of agreement on the need for appropriate legislative changes	Inconsistency of positions, lack of agreement on the need for appropriate legislative changes	
Measurable indicator of goal achievement	1. Improvement of the legal framework and implementing mechanisms for proper state regulation and supervision of capital markets and organized commodity markets in accordance with international standards and European legislation, as well as building an effective system of counteraction to abuse in these markets	1. Signing of the IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information (IOSCO MMoU) 2. Has received from ESMA the status of equivalence of domestic legislation on the regulation of professional secrecy in capital markets with EU legislation	
The total amount of financial resources required to achieve the goal		Improving state regulation and supervision of capital markets and organized commodity markets and building an effective system of counteraction to abuse in these markets requires additional costs to increase the capacity of	



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
		the National Securities and Stock Market Commission	
Connection with other areas	WG "Functioning of the financial system, its reform and development" / WSG "Banking system and non-banking services market" WG on European integration	WG "Functioning of the financial system, its reform and development" / WSG "Banking system and non-banking services market" WG on European integration	
<p><b>3.</b> Inconsistency of certain provisions of the Tax Code of Ukraine with the terminology of basic legislation in the field of capital markets and organized commodity markets, as well as the lack of harmonization of the taxation system in this area and tax incentives for investment.</p> <p>The current version of the Tax Code of Ukraine (TCU) contains provisions that do not agree with the terminology of the basic legislation in the field of capital markets and organized commodity markets. Also, the TCU contains a significant number of outdated and obsolete rules that hinder the further active development of capital markets and organized commodity markets in Ukraine.</p> <p>In addition, there is a need to reform taxation mechanisms in the field of capital markets and organized commodity markets in order to stimulate investment through financial instruments in the real sector of the economy, including the promotion of long-term investment.</p> <p>Thus, there is a need to improve tax legislation in the field of capital markets and organized commodity markets, taking into account the expectations and needs of market participants.</p>			
Each stage's goal to be achieved to solve the problem	1. Improving the legal framework to ensure harmonization of the taxation system in the capital markets and organized commodity markets and tax incentives for investment, including long-term		
Deadline within the stage	31.12.2022		
Risks for achieving the goal	Inconsistency of positions, lack of agreement on the need for appropriate legislative changes		



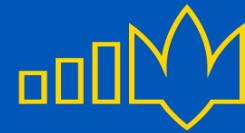
	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
Measurable indicator of goal achievement	1. Adoption of appropriate changes to the legal framework	1. Increasing investment through capital market instruments, including long-term ones, through tax incentives and harmonization of taxation systems in the field of capital markets and organized commodity markets 2. Growth of revenues to the state budget of Ukraine due to intensification of capital markets and organized commodity markets and increase of investments in the country's economy	
The total amount of financial resources required to achieve the goal			
Connection with other areas	WG "Functioning of the financial system, its reform and development" /WSG Tax policy	WG "Functioning of the financial system, its reform and development" /WSG Tax policy	
<p>4. Imperfect legal framework for the implementation of new and development of existing financial instruments.</p> <p>Today, agriculture is one of the strategic sectors of Ukraine's economy, which ensures the growth of the country's economy, and access to finance for the agricultural sector can increase its productivity and profitability, while improving the quality of materials and means of production. An important mechanism that would facilitate access to financial and commodity resources for agricultural producers is the circulation of agricultural receipts.</p> <p>In addition, Ukraine lacks regulations on the issuance of such financial instruments used in European financial markets as social bonds. Also, imperfect regulation of the derivatives market limits the ability of investors to manage their own risks and hedge their investments.</p> <p>The development of investment instruments and the introduction of new financial instruments linked to reliable and trusted index benchmarks can also help direct domestic and external liquidity to the financial markets of Ukraine and, accordingly, increase investment in the Ukrainian economy.</p>			



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
Each stage's goal to be achieved to solve the problem	<ol style="list-style-type: none"> <li>1. Improving the circulation of agricultural receipts</li> </ol>	<ol style="list-style-type: none"> <li>1. Development of new financial instruments linked to the UONIA overnight interbank rate index</li> <li>2. Improving the legal framework for the regulation of derivative contracts markets in order to obtain from the International Swaps and Derivatives Association (ISDA) a positive legal opinion on netting, liquidation netting and collateral</li> <li>3. Introduction of new financial instruments, in particular, settlement of social bond issues</li> </ol>	
Deadline within the stage	31.12.2022	31.12.2025	
Risks for achieving the goal	Inconsistency of positions, lack of agreement on the need for appropriate legislative changes	<ol style="list-style-type: none"> <li>1. Achieving the goal depends on the resumption of interbank activity on which the UONIA overnight interbank rate index is based</li> <li>2. Inconsistency of positions, lack of agreement on the need for appropriate legislative changes</li> </ol>	
Measurable indicator of goal achievement	<ol style="list-style-type: none"> <li>1. Expanding the use of agricultural receipts, in particular for agricultural producers who will be able to access</li> </ol>	<ol style="list-style-type: none"> <li>1. Parliament's adoption of amendments to relevant legislation that will regulate</li> </ol>	



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
	financial and commodity resources through agricultural receipts	some aspects related to derivative contracts 2. Settlement of the issue of social bond issues. Introduction of financial instruments linked to the UONIA overnight interbank rate index 3. Obtaining a positive legal opinion on netting, liquidation netting and collateral from ISDA	
The total amount of financial resources required to achieve the goal			
Connection with other areas	WG New agrarian policy	WG "Functioning of the financial system, its reform and development" / WSG "Banking system and non-banking services market"	
5. The need to improve the activities of companies, increase the level of corporate governance and protection of minority investors, and ensure full harmonization of national company legislation and corporate governance legislation with European Union legislation.	At present, there is a need to improve the activities of companies and increase the level of corporate governance in accordance with EU legislation by, in particular, introducing a one-tier corporate governance structure, a mechanism for holding general meetings using electronic voting, settling the issue of liability of officials of the joint-stock company and bringing the rules on the representation of shareholders, as well as the rules on mergers, acquisitions, spin-offs and splits of joint-stock companies in accordance with European Union legislation.		
Each stage's goal to be achieved to solve the problem	1. Improving the legal framework in order to improve the activities of companies, increase the level of corporate governance and		



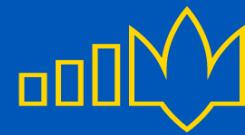
	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
	protection of minority investors in accordance with the best world practices and the requirements of EU legislation		
Deadline within the stage	31.12.2022		
Risks for achieving the goal	Inconsistency of positions, lack of agreement on the need for appropriate legislative changes		
Measurable indicator of goal achievement	Improving the activities of companies, increasing the level of corporate governance and protection of minority investors by introducing a one-tier governance structure in joint-stock companies, a mechanism for holding general meetings using electronic voting, resolving the issue of liability of company officials in accordance with world best practices and requirements of the EU legislation.		
The total amount of financial resources required to achieve the goal			
Connection with other areas	WG on European integration WG on Economic Recovery and Development		
<b>5. Lack of full functioning of the system of compulsory accumulative pension provision in Ukraine and imperfection of the non-state pension provision system.</b> The demographic situation in Ukraine now and in the future will lead to a reduction in contributions of single social contribution payers, which is the main source of the solidarity pension system, which in turn leads to an increase in the burden on the state budget. In such conditions, it is impossible to count on a real increase in the level of pensions in the future at the expense of the solidarity system alone. This increase is possible only through the introduction of the system			



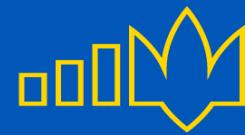
	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
<p>of accumulation and effective investment of savings of citizens, which will be made by them during their work, namely by introducing the second level of the pension system - compulsory accumulative pension provision and effective functioning of the third level of the pension system - non-state pension provision.</p> <p>In addition, there are a number of problems in the field of non-state pension provision that need an improvement of the regulation, supervision, liability and reliability of non-state pension providers in accordance with European acts, in particular, Directive (EU) № 2016/2341 of 14.12.2016 on the activities and supervision of institutions for occupational retirement provision (IORPs).</p>			
Each stage's goal to be achieved to solve the problem		Adoption of the legislative framework in order to introduce the full functioning of the system of compulsory accumulative pension provision in Ukraine and to improve the non-state pension provision	
Deadline within the stage		31.12.2023	
Risks for achieving the goal		<ol style="list-style-type: none"> <li>1. Inconsistency of positions, lack of agreement on the need for appropriate legislative changes</li> <li>2. Reduction of the working population, rising unemployment, and falling GDP will negatively affect the growth rate of average wages, which is the basis for ensuring sustainable growth of the accumulative pension provision system</li> </ol>	
Measurable indicator of goal achievement			<ol style="list-style-type: none"> <li>1. Introduction of full-fledged functioning of the system of compulsory</li> </ol>



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
			<p>accumulative pension provision in Ukraine and improvement of non-state pension provision</p> <p>2. Increasing the volume of assets of the accumulative pension provision</p> <p>3. Increasing the level of penetration of pension assets of non-state pension funds</p>
The total amount of financial resources required to achieve the goal			<p>Introduction of the functioning of the system of compulsory accumulative pension provision may involve expenditures of the state budget of Ukraine according to approximate calculations in the first year of implementation in the amount of UAH 30.8 billion, of which UAH 15.4 billion – to compensate losses from underreceipts of the single social contribution to the funds of compulsory state social and pension insurance,</p>



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
			UAH 15.4 billion - for the payment of additional accumulative contribution from the state budget in favor of system participants
Connection with other areas		WG on Social Protection	WG on Social Protection
<p><b>6. Lack of full compliance of Ukrainian legislation with the provisions of the European Union in the field of financial markets infrastructure, rating, joint ventures and securitization.</b></p> <p>In order to ensure the development of capital markets infrastructure in accordance with European rules and to improve its efficiency, it is necessary to ensure full compliance of Ukrainian legislation with EU regulations on financial market infrastructure, in particular, in the operation of clearing, settlement and depository systems.</p> <p>In order to improve the investment climate in Ukraine, revitalize investment processes and minimize risks in capital markets, it is necessary to reform the rating market, in particular, improve the legal framework for rating and use of ratings, and establish liability for rating agencies for breaches of law in accordance with EU legislation.</p> <p>In order to ensure effective collective investment mechanisms in Ukraine, there is a need to establish investment funds in accordance with European rules, such as Undertakings for Collective Investment in Transferable Securities (UCITS), alternative investment funds (AIFs), long-term investment funds (ELTIFs), venture capital funds (EuVECA), social entrepreneurship funds (EuSEF) and money market funds (MMFs).</p> <p>In order to introduce new and develop existing financial instruments in accordance with the requirements of European Union acts, it is necessary to introduce a legal framework for covered bonds and securitization in Ukraine.</p>			
Each stage's goal to be achieved to solve the problem	Unlocking operations with collective investment institutions assets, non-state pension funds, resumption of securities circulation	1. Improving the legal framework in order to implement the provisions of the legislation of the European Union in the field of capital markets infrastructure, rating, joint investment and securitization to domestic legislation	



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
		2. Introduction of new investment opportunities	
Deadline within the stage	31.12.2022	31.12.2025	
Risks for achieving the goal	Continuation of martial law	Inconsistency of positions, lack of agreement on the need for appropriate legislative changes	
Measurable indicator of goal achievement			Improving the functioning of capital markets infrastructure, rating activities, joint investment and the introduction of securitization mechanisms in accordance with the requirements of European Union law
The total amount of financial resources required to achieve the goal			
Connection with other areas		WG on European integration WG on Digitization WG Functioning of the financial system, its reform and development / Banking system and non-banking services market WG on Economic recovery and development	



	Stage I: June 2022 – end of 2022	Stage II: January 2023 – December 2025	Stage III: January 2026 – December 2032
<p><b>7. Lack of effective mechanisms for recovery and withdrawal from the market of troubled financial institutions, compensation schemes for investors, as well as the functioning of the institute of benchmarks.</b></p> <p>In order to improve the investment climate in Ukraine, revitalize investment processes and minimize risks for investors in capital markets, it is necessary to introduce an effective system of early response and supervision based on risk assessment, the implementation of improved mechanisms for regulating the withdrawal of troubled financial institutions from the market, the introduction of mechanisms to compensate for investments in securities lost as a result of fraudulent actions, as well as the introduction of benchmarks in accordance with European legislation.</p>			
Each stage's goal to be achieved to solve the problem			Adoption of a legal framework to address the recovery and withdrawal from the market of troubled financial institutions, the introduction of compensation schemes for investors, as well as the introduction of benchmarks
Deadline within the stage			31.12.2027
Risks for achieving the goal			Inconsistency of positions, lack of agreement on the need for appropriate legislative changes
Measurable indicator of goal achievement			Introduction of effective mechanisms for recovery and withdrawal from the market of troubled financial institutions, compensation schemes for investors, as well as



	<b>Stage I: June 2022 – end of 2022</b>	<b>Stage II: January 2023 – December 2025</b>	<b>Stage III: January 2026 – December 2032</b>
			ensuring the functioning of the institute of benchmarks
The total amount of financial resources required to achieve the goal			
Connection with other areas			WG on European integration

## 2.2. The current stage of implementation of program documents

<b>Item of the plan</b>	<b>Name of the program document</b>	<b>Current state</b>
1.	Cabinet of Ministers of Ukraine Action Plan, approved by the CMU Resolution of 12.06.2020 № 471	Under implementation
2.	Strategy for the Development of the Financial Sector of Ukraine until 2025 (new version), approved by the decision of the National Securities and Stock Market Commission of 02.03.2021 № 140, the decision of the Board of the National Bank of Ukraine of 18.03.2021 № 97-rsh, and the decision of the Deposit Guarantee Fund of 25.02.2021 № 193	Under implementation
3.	National Economic Strategy for the period up to 2030, approved by the CMU Resolution of 03.03.2021 № 179	Under implementation
4.	Plan of work on the legislation of the Verkhovna Rada of Ukraine for 2022, approved by the Resolution of the Verkhovna Rada of Ukraine of 15.02.2022 № 2036-IX	Under implementation
5.	Plan for organizing the implementation of the decision of the National Security and Defense Council of Ukraine of 11.08.2021 "On the Strategy of Economic Security of	Under implementation



Item of the plan	Name of the program document	Current state
	"Ukraine for the period up to 2025", approved at a meeting of the Cabinet of Ministers of Ukraine on 01.09.2021	
6.	Action plan for the implementation of the Letter of Intent of the Government of Ukraine and the National Bank of Ukraine of 08.11.2021 and the Memorandum on Economic and Financial Policy	Under implementation
7.	Action Plan for the implementation of the Human Development Strategy for 2021-2023, approved by the CMU Order of 09.12.2021 № 1617-r	Under implementation

### 2.3. Determining tasks for achieving goals from subsection 2.1 (for every goal)

No	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
Stage I: June 2022 - end of 2022			
Goal (1) Improving state regulation and supervision of capital markets and organized commodity markets			
1.1	Adoption by the Verkhovna Rada in the second reading and as a whole of the Draft Law of Ukraine "On Amendments to the Law of Ukraine "On State Regulation of Capital Markets and Organized Commodity Markets" and some other legislative acts of Ukraine on regulation and supervision of capital markets and organized commodity markets" (registration number in the Verkhovna Rada № 5865 of 26.08.2021)	31.12.2022 (The Plan of work of the Verkhovna Rada provided a deadline - the first quarter)	1. Inconsistency of positions, lack of agreement on the need for appropriate legislative changes 2. WG "Functioning of the financial system, its reform and development" / WSG "Banking system and non-banking services market"



No	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
			3. WG on European integration
1.2	Development and adoption of legal acts necessary for the implementation of the adopted Law	After the implementation of paragraph 1.1	
1.3	Signing of the IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information (IOSCO MMoU) and gaining the status of a full member of this international financial organization	After the implementation of paragraph 1.1	WG "Functioning of the financial system, its reform and development" / WSG "Banking system and non-banking services market"
1.4	Carrying out a study on compliance with EU legislation of domestic legislation on the regulation of professional secrecy in capital markets in order to deepen the interaction of the NSSMC with ESMA	31.12.2023	WG "Functioning of the financial system, its reform and development" / WSG "Banking system and non-banking services market"
1.5	Bringing, if necessary, domestic legislation on the regulation of professional secrecy in capital markets in line with EU law in order to achieve regulatory equivalence	After the implementation of paragraph 1.4	WG on European integration
1.6	Preparation of comprehensive information activities (explanatory and presentation materials, round tables, seminars) on the implementation of changes in the regulation and supervision of capital markets and organized commodity markets	Constantly	
Goal (2) Ensure harmonization of the taxation system in the field of capital markets and organized commodity markets and tax incentives for investment, including long-term			



№	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
2.1	<p>Submission to the Verkhovna Rada and adoption of the draft Law of Ukraine "On Amendments to the Tax Code of Ukraine (on Improving Taxation in the Sphere of Capital Markets and Organized Commodity Markets)", in particular:</p> <ul style="list-style-type: none"> <li>- introduction of mechanisms of tax incentives for investors to invest in financial instruments, including long-term investments, in particular through the introduction of special investment accounts;</li> <li>- settlement of issues related to the taxation of trade in commodity derivative contracts and other assets admitted to trading on organized markets, with the transition to taxation of transactions on a net basis (after netting/clearing);</li> <li>- improving the activities of tax agents in the taxation of transactions in financial instruments, and other issues.</li> </ul>	Before 31.10.2022 (The Plan of work of the Verkhovna Rada provided a deadline - February)	WG "Functioning of the financial system, its reform and development" / WSG Tax policy
2.2	Submission to the Verkhovna Rada and adoption of the draft Law of Ukraine "On Amendments to the Tax Code of Ukraine (on stimulating investments of individuals in financial instruments by setting a single personal income tax rate of final passive income from investments of individuals at 5%)."	Before 31.10.2022	WG "Functioning of the financial system, its reform and development" / WSG Tax policy
2.3	Submission to the Verkhovna Rada and adoption of the draft Law of Ukraine "On Amendments to the Tax Code of Ukraine (concerning the creation of tax benefits for contributions to non-state pension funds")."	Before 31.10.2022	WG "Functioning of the financial system, its reform and development" / WSG Tax policy
2.4	Development and adoption of legal acts necessary for the implementation of the adopted Law	After the implementation of paragraphs 2.1-2.3	WG "Functioning of the financial system, its reform and development" / WSG Tax policy



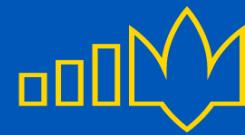
No	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
2.5	Preparation of comprehensive information activities (explanatory and presentation materials, round tables, seminars) on the implementation of changes in taxation and investment intensification	Constantly	
Goal (3) Introduction of new and development of existing financial instruments			
3.1	Adoption by the Verkhovna Rada in the repeated first reading and as a whole of the Draft Law of Ukraine "On Amendments to the Law of Ukraine "On agricultural receipts" and some other legislative acts of Ukraine on the functioning and circulation of agricultural receipts" (registration number in the Verkhovna Rada № 2805-d of 29.12.2021, revised)	Before 31.12.2022	WG New agrarian policy
3.2	Development and adoption of legal acts necessary for the implementation of the adopted Law	After the implementation of paragraph 3.1	WG New agrarian policy
3.3	Complete the reform of the derivative contracts market in order to ensure the practical effect of legislative provisions by parliament's adoption of amendments to the relevant legislation that will regulate some aspects related to derivative contracts	Before 31.12.2023	
3.4	Settlement of issues of social bonds emission	Before 31.12.2024	
3.5	Development and implementation of new financial instruments linked to the UONIA overnight interbank rate index	Before 31.12.2023	WG "Functioning of the financial system, its reform and development" / WSG "Banking system and non-banking services market"
3.6	Preparation of comprehensive information activities (explanatory and presentation materials, round tables, seminars) on the implementation of new financial instruments	Constantly	
Goal (4) Improving the activities of companies, increasing the level of corporate governance and protection of minority investors			



No	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
4.1	Adoption by the Verkhovna Rada in the second reading and as a whole the Draft Law of Ukraine "On Joint Stock Companies" (registration number in the Verkhovna Rada № 2493 of 25.11.2019)	Before 31.12.2022	WG on European integration WG on Economic Recovery and Development
4.2	Development and adoption of legal acts necessary for the implementation of the adopted Law	After the implementation of paragraph 4.1	
4.3	Preparation of comprehensive information activities (explanatory and presentation materials, round tables, seminars) on the implementation of changes in company and corporate governance legislation	Constantly	
Stage II: January 2023 - December 2025			
Goal (5) Introduction of full-fledged functioning of the system of compulsory accumulative pension provision in Ukraine and improvement of non-state pension provision			
5.1	Adoption by the Verkhovna Rada in the repeated first reading and as a whole the Draft Law of Ukraine "On Compulsory Accumulative Pension Provision" (registration number in the Verkhovna Rada № 2683 of 23.11.2021, revised)	Before 31.12.2023	WG on Social Protection
5.2	Submission to the Verkhovna Rada and adoption of the Draft Law of Ukraine "On Amendments to the Law of Ukraine "On Non-State Pension Provision" and other legislative acts on improving non-state pension provision"	Before 31.12.2023	WG on Social Protection
5.3	Development and adoption of legal acts necessary for the implementation of adopted laws	After the implementation of paragraphs 5.1 and 5.2	WG on Social Protection
5.4	Preparation of comprehensive information activities (explanatory and presentation materials, round tables, seminars) on the implementation of the system of compulsory accumulative pension provision in Ukraine and changes on non-state pension provision	Constantly	WG on Social Protection



No	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
Goal (6) Improving the functioning of capital markets infrastructure, rating activities, joint ventures and the introduction of securitization mechanisms			
6.1	Making amendments to the NSSMC Decision № 144 of 08.03.2022	Before 31.12.2022	Continuation of martial law
6.2	Adoption by the Verkhovna Rada in the first reading and as a whole of the Draft Law of Ukraine "On Rating" (registration number in the Verkhovna Rada № 5819 of 22.07.2021)	Before 31.12.2023	Inconsistency of positions, lack of agreement on the need for appropriate legislative changes
6.3	Submission to the Verkhovna Rada and adoption of the Draft Law of Ukraine on the implementation of EU acts in the field of capital markets infrastructure	Before 31.12.2025	WG on European integration
6.4	Submission to the Verkhovna Rada and adoption of the Draft Law of Ukraine on Covered Bonds and Securitization	Before 31.12.2024	WG on European integration
6.5	Submission to the Verkhovna Rada and adoption of the Draft Law of Ukraine "On Investment Funds"	Before 31.12.2024	WG on European integration
6.6	Expanding the possibility of combining professional activities in the capital markets and providing opportunities for professional participants to lend money by amending the legal framework	Before 31.12.2025	
6.7	Development and implementation of legislation on the functioning of crowdfunding platforms	Before 31.12.2025	WG on Digitalization
6.8	Exploring digitalization initiatives: deploying distributed ledger technology in capital markets services, introducing smart contracts for conducting operations in capital markets	Before 31.12.2025	WG on Digitalization
6.9	Creation of a regulated money market	Before 31.12.2025	WG "Functioning of the financial system, its reform and development" /



No	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
			WSG "Banking system and non-banking services market"
6.10	Establishment of a trade repository for information on over-the-counter derivative contracts in Ukraine	Before 31.12.2023	WG "Functioning of the financial system, its reform and development" / WSG "Banking system and non-banking services market"
6.11	Creating a legal framework and implementing the necessary measures to launch the National Investment Fund, which will introduce professional asset management and help prepare state-owned enterprises for their gradual privatization through the mechanisms of capital markets	Before 31.06.2025	WG on Economic Recovery and Development
6.12	Further development of domestic repo markets, in particular, due to the expansion of the number of repos with risk control through the Clearing Center for servicing contracts in financial markets	Before 31.12.2025	WG "Functioning of the financial system, its reform and development" / WSG "Banking system and non-banking services market"
6.13	Development and adoption of legal acts necessary for the implementation of the adopted laws	After the implementation of paragraphs 6.1 – 6.6, 6.10	
6.14	Preparation of comprehensive information activities (explanatory and presentation materials, round tables, seminars) on the implementation of these legislative initiatives	Constantly	
Stage III: January 2026 - December 2032			



No	Description of the task to achieve the goal	Deadline within the stage	Depending on goals from other directions, spheres, problems
Goal (7) Introduction of effective mechanisms for recovery and withdrawal from the market of troubled financial institutions, compensation schemes for investors, as well as ensuring the functioning of the institution of benchmarks			
7.1	Submission to the Verkhovna Rada and adoption of the Draft Law of Ukraine on settlement of issues of recovery and withdrawal of investment firms from the market	Before 31.12.2026	Inconsistency of positions, lack of agreement on the need for appropriate legislative changes WG on European integration
7.2	Submission to the Verkhovna Rada and adoption of the Draft Law of Ukraine on compensation schemes for investors	Before 31.12.2026	WG on European integration
7.3	Submission to the Verkhovna Rada and adoption of the Draft Law of Ukraine on the introduction of the institute of benchmarks	Before 31.12.2027	WG on European integration
7.4	Development and adoption of legal acts necessary for the implementation of the adopted laws	After the implementation of paragraphs 7.1 – 7.3	WG on European integration
7.5	Preparation of comprehensive information activities (explanatory and presentation materials, round tables, seminars) on the implementation of stated legislative initiatives	Constantly	



### 3. List of national projects corresponding with tasks under Section 2.3 (for the relevant task)

Project description to the task under Section 2.3	Project justification	Qualitative indicators of project implementation	Economic effect (impact on GDP, budget, employment, etc.)	Responsible authority	Required financing (million UAH)	Proposed sources of financing	Regulatory support	Related area of EU regulation (in general)
<b>To achieve goal 1 of table 2.3.</b> Improving state regulation and supervision of capital markets and organized commodity markets	Ensuring the functioning of an effective system of counteraction to abuse in the capital markets and organized commodity markets in order to increase investor protection  Providing conditions for joining the IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of	Ensuring effective fight against violations of the law in the capital markets and organized commodity markets and improving the discipline of participants in these markets, which in turn will increase confidence in investing through capital markets instruments	Improving the quality of state regulation of capital markets and organized commodity markets will help increase confidence in these markets and increase investment in the country's economy  Growth of revenues to the State Budget of Ukraine due to increasing the effectiveness of financial sanctions (fines) for violations of	Parliamentary Finance, Tax and Customs Policy Committee, NSSMC (by agreement)	Requires additional costs to increase the financial capacity of the National Securities and Stock Market Commission  <b>No calculations were made</b>	The state budget of Ukraine and special funds  International technical assistance	Adoption of the Draft Law of Ukraine "On Amendments to the Law of Ukraine "On State Regulation of Capital Markets and Organized Commodity Markets" and some other legislative acts of Ukraine on regulation and supervision of capital markets and organized commodity markets" (registration number in the Verkhovna Rada № 5865)	Objectives and Principles of Securities Regulation of IOSCO, EU Regulation № 596/2014 of 16.04.2014 on market abuse (MAR), EU Directive № 2014/57/E U of 16.04.2014 on criminal sanctions against market



Project description to the task under Section 2.3	Project justification	Qualitative indicators of project implementation	Economic effect (impact on GDP, budget, employment, etc.)	Responsible authority	Required financing (million UAH)	Proposed sources of financing	Regulatory support	Related area of EU regulation (in general)
	Information (IOSCO MMoU)		legislation on capital markets and organized commodity markets, legislation on joint-stock companies, legislation on consumer protection				of 26.08.2021) and legal acts necessary for the implementation of the adopted Law	abuse (MAD) and others
<b>To achieve goal 3 of table 2.3.</b> Introduction of new and development of existing financial instruments	Improving the legislation on the functioning and circulation of agricultural receipts	Improving the reliability of agricultural receipts, ensuring the possibility of their circulation in the secondary market, including organized, and	Expanding the use of agricultural receipts, in particular for agricultural producers who will be able to access financial and commodity resources through agricultural receipts	Parliamentary Finance, Tax and Customs Policy Committee, NSSMC (by agreement)	There will be a need to update the software for the functioning of the Register of agricultural receipts, taking into account the adopted Law  <b>No calculations were made</b>	International technical assistance	Adoption of the Draft Law of Ukraine "On Amendments to the Law of Ukraine "On agricultural receipts" and some other legislative acts of Ukraine on the functioning and circulation of agricultural receipts"	



Project description to the task under Section 2.3	Project justification	Qualitative indicators of project implementation	Economic effect (impact on GDP, budget, employment, etc.)	Responsible authority	Required financing (million UAH)	Proposed sources of financing	Regulatory support	Related area of EU regulation (in general)
		simplifying and reducing the cost of procedures for issuing agricultural receipts					(registration number in the Verkhovna Rada № 2805-d of 29.12.2021, revised) and legal acts necessary for the implementation of the adopted Law	
<b>To achieve goal 4 of table 2.3.</b> Improving the activities of companies, increasing the level of corporate governance and protection of minority investors	Improvement and harmonization of Ukrainian legislation in the field of corporate governance and the activities of companies in accordance with the acts of the European Union	Introduction of a one-tier corporate governance structure in joint-stock companies, a mechanism for holding general meetings using	Improving the activities of companies and increasing the level of corporate governance in companies in accordance with EU practices and standards, will help protect	Parliamentary Finance, Tax and Customs Policy Committee, NSSMC (by agreement)	There will be a need to develop software for the operation of the Authorized electronic system for holding general meetings using electronic voting, taking	International technical assistance	Adoption of the Draft Law of Ukraine "On Joint Stock Companies" (registration number in the Verkhovna Rada № 2493 of 25.11.2019) and legal acts necessary for the	EU Directive № 2007/36/EU of 11.06.2007 on the exercise of certain rights of shareholders in listed companies and EU



Project description to the task under Section 2.3	Project justification	Qualitative indicators of project implementation	Economic effect (impact on GDP, budget, employment, etc.)	Responsible authority	Required financing (million UAH)	Proposed sources of financing	Regulatory support	Related area of EU regulation (in general)
		electronic voting, settling the issue of liability of officials of joint-stock companies and bringing norms on shareholder representation, as well as rules on mergers, acquisitions, spin-offs and splits in accordance with the legislation of the European Union	investors' rights and expand opportunities to raise capital		into account the adopted Law  <b>No calculations were made</b>		implementation of the adopted Law	Directive № 2017/132/EU of 14.06.2017 on certain aspects of company law



Project description to the task under Section 2.3	Project justification	Qualitative indicators of project implementation	Economic effect (impact on GDP, budget, employment, etc.)	Responsible authority	Required financing (million UAH)	Proposed sources of financing	Regulatory support	Related area of EU regulation (in general)
<b>To achieve goal 5 of table 2.3.</b> Introduction of full-fledged functioning of the system of compulsory accumulative pension provision in Ukraine and improvement of non-state pension provision	Determining the legal, economic and organizational basis for the functioning of the system of compulsory accumulative pension provision in Ukraine  Improving the regulation, supervision, accountability and reliability of non-state pension providers	Full and effective functioning of the II and III levels of the pension system of Ukraine	Introduction of full functioning of the system of compulsory accumulative pension provision, in combination with effectively working III level of pension system, will provide social guarantees and financial stability of the pension system of Ukraine, will promote development of the capital markets and provide economy with long-term financial resources	Parliamentary Committee on Social Policy and Protection of Veterans' Rights, Parliamentary Finance, Tax and Customs Policy Committee, NSSMC (by agreement), Ministry of Social Policy, Ministry of Finance, Pension Fund of Ukraine	<b>UAH 30 800,00 mln</b>	The state budget of Ukraine  International technical assistance	Adoption of the Draft Law of Ukraine "On Compulsory Accumulative Pension Provision" (registration number in the Verkhovna Rada № 2683 of 23.11.2021, revised) and the Draft Law "On Amendments to the Law of Ukraine "On Non-State Pension Provision" and other legislative acts on improving non-state pension provision", as well as legal acts aimed at	Directive (EU) № 2016/2341 of 14.12.2016 on the activities and supervision of institutions for occupational retirement provision (IORPs)



Project description to the task under Section 2.3	Project justification	Qualitative indicators of project implementation	Economic effect (impact on GDP, budget, employment, etc.)	Responsible authority	Required financing (million UAH)	Proposed sources of financing	Regulatory support	Related area of EU regulation (in general)
							implementing the adopted laws	
<b>To achieve goal 6 of table 2.3.</b> Improving the functioning of capital markets infrastructure, rating activities, joint ventures and the introduction of securitization mechanisms	Creating a legal basis for improving the efficiency and functionality of rating agencies, the functioning of capital markets infrastructure, the introduction and development of the asset securitization market, as well as the introduction of investment funds in Ukraine in accordance with European requirements	Improving the efficiency of capital markets infrastructure, in particular in terms of clearing and depository systems, minimizing risks in capital markets, ensuring effective collective investment mechanisms and implementin	Improving the investment climate in Ukraine and minimizing risks in capital markets, as well as expanding funding opportunities	Parliamentary Committee on Economic Development, NSSMC (by agreement)	<b>UAH 1,5 mln</b> , which preliminary pre-includes the development of the legal framework and steps to implement the adopted laws	International technical assistance	Adoption of the Draft Law of Ukraine "On Rating" (registration number in the Verkhovna Rada № 5819 of 22.07.2021); the Draft Law of Ukraine "On Investment Funds"; Draft Law of Ukraine on the implementation of EU acts in the field of capital markets infrastructure; the Draft Law of Ukraine on Covered Bonds	EU Regulation № 1060/2009 of 16.09.2009 on credit rating agencies; EU Directive № 2009/65/EU of 13.07.2009 (UCITS); EU Regulation № 2011/61/EU of 08.06.2011 (AIFM); EU Regulation № 345/20



Project description to the task under Section 2.3	Project justification	Qualitative indicators of project implementation	Economic effect (impact on GDP, budget, employment, etc.)	Responsible authority	Required financing (million UAH)	Proposed sources of financing	Regulatory support	Related area of EU regulation (in general)
		g new and developing existing financial instruments in accordance with European legislation					and Securitization, as well as legal acts aimed at implementing the adopted laws	13 of 17.04.2013 (VCF); Directive № 2002/47/EU of 06.06.2002 (Financial Collateral Directive), Directive № 98/26/EU of 19.05.1998 (Settlement Finality Directive); EU Regulation № 648/2012 of 04.07.2012 (EMIR); EU Regulation № 909/2014 of



Project description to the task under Section 2.3	Project justification	Qualitative indicators of project implementation	Economic effect (impact on GDP, budget, employment, etc.)	Responsible authority	Required financing (million UAH)	Proposed sources of financing	Regulatory support	Related area of EU regulation (in general)
								23.07.2014 (CSDR); EU Regulation № 2017/2402 of 12.12.2017 on securitization and EU Directive № 2019/2162 of 27.11.2019 on covered bonds
<b>To achieve goal 7 of table 2.3.</b> Introduction of effective mechanisms for recovery and withdrawal from the market of troubled	It is necessary to introduce an effective system of early response and supervision based on risk assessment, implementation of improved mechanisms for	Improving the reliability of financial institutions and protection of investors' rights	Improving the investment climate in Ukraine, revitalizing investment processes and minimizing risks for investors in capital markets	NSSMC (by agreement)	There is a need to develop a legal framework in line with EU legislation, taking into account the best international	International technical assistance	Adoption of the Draft Law of Ukraine on settling the issues of recovery and withdrawal of investment firms from the market;	Directive 2014/59/EU of 15.05.2014 (BRRD); Regulation (EU) 2016/1011 of 08.06.2016



Project description to the task under Section 2.3	Project justification	Qualitative indicators of project implementation	Economic effect (impact on GDP, budget, employment, etc.)	Responsible authority	Required financing (million UAH)	Proposed sources of financing	Regulatory support	Related area of EU regulation (in general)
financial institutions, compensation schemes for investors, as well as ensuring the functioning of the institute of benchmarks	regulating the procedures for withdrawal from the market of troubled financial institutions, introduction of mechanisms to compensate for investments in securities lost due to fraud, and the introduction of benchmarks in accordance with European law				experience and the implementation of adopted laws  <b>No calculations were made</b>		the Draft Law of Ukraine on compensation schemes for investors; the Draft Law of Ukraine on the introduction of the institute of benchmarks	on benchmark s; Directive (EU) № 97/9/EU of 03.03.1997 on compensation schemes for investors
<b>To achieve goal 1 of table 2.3.</b> Carrying out a study of compliance with EU legislation of domestic legislation on	The lack of regulatory equivalence in the areas of confidentiality and professional secrecy does not allow the NSSMC to fully participate in oversight	Gaining access to cross-border oversight measures	Improving the investment climate in Ukraine and minimizing risks in capital markets, as well as expanding	NSSMC (by agreement)	<b>UAH 14,125 mln (EUR 450 000)</b>	International technical assistance		



Project description to the task under Section 2.3	Project justification	Qualitative indicators of project implementation	Economic effect (impact on GDP, budget, employment, etc.)	Responsible authority	Required financing (million UAH)	Proposed sources of financing	Regulatory support	Related area of EU regulation (in general)
the regulation of professional secrecy in capital markets in order to deepen the interaction of the NSSMC with ESMA	activities to support effective cross-border oversight. This harms the effective regulation of Ukraine's financial markets and their financial stability		funding opportunities					
<b>To achieve goal 3 of table 2.3. Improving the regulation of derivative markets in order to obtain from the International Swaps and Derivatives Association (ISDA) a positive legal opinion on netting,</b>	At present, insufficient development of the derivatives contract market limits the ability of investors to manage their own risks and hedge their investments. This means that investors are less inclined to invest in long-term instruments, and Ukrainian banks	Receiving a positive legal opinion from the International Swaps and Derivatives Association (ISDA).	Improving the investment climate in Ukraine and minimizing risks in capital markets, as well as expanding funding opportunities	NSSMC (by agreement)	<b>UAH 1,57 mln (EUR 50 000)</b>	International technical assistance		



Project description to the task under Section 2.3	Project justification	Qualitative indicators of project implementation	Economic effect (impact on GDP, budget, employment, etc.)	Responsible authority	Required financing (million UAH)	Proposed sources of financing	Regulatory support	Related area of EU regulation (in general)
liquidation netting and securing	and companies have limited access to long-term financing. A derivative contract is an important tool for foreign investors to hedge currency risks and access local capital markets							
<b>To achieve goal 3 of table 2.3.</b> Development of new financial instruments linked to the UONIA overnight interbank rate index	Promoting the expansion of the range of financial instruments	New financial instruments and products have been developed	Improving the investment climate in Ukraine and minimizing risks in capital markets, as well as expanding funding opportunities	Operator of the organized market of derivative contracts	<b>No calculations were made</b>	International technical assistance		



Project description to the task under Section 2.3	Project justification	Qualitative indicators of project implementation	Economic effect (impact on GDP, budget, employment, etc.)	Responsible authority	Required financing (million UAH)	Proposed sources of financing	Regulatory support	Related area of EU regulation (in general)
<b>To achieve goal 6 of table 2.3.</b> Deployment of Distributed Ledger technology in capital markets services, introduction of smart contracts for capital markets transactions	Insufficient digitalization of financial services hampers efficient and cost-effective solutions	Introduction of smart contract technologies for transactions in the capital markets	Improving the investment climate in Ukraine and minimizing risks in capital markets, as well as expanding funding opportunities	NSSMC (by agreement)	<b>No calculations were made</b>	International technical assistance		
<b>To achieve goal 6 of table 2.3.</b> Carrying out diagnostics of money markets in order to ensure further creation of a regulated money market	Currently, there is no complete and detailed diagnosis of the current state of money markets in Ukraine, which makes it difficult to identify gaps and priority areas for further development of	Providing a final report on the diagnosis of money markets (MMD)	Development of money markets	NSSMC (by agreement)	<b>UAH 0,942 mln (EUR 30 000)</b>	International technical assistance		



Project description to the task under Section 2.3	Project justification	Qualitative indicators of project implementation	Economic effect (impact on GDP, budget, employment, etc.)	Responsible authority	Required financing (million UAH)	Proposed sources of financing	Regulatory support	Related area of EU regulation (in general)
	money markets. In turn, insufficient development of money markets complicates the functioning and development of other segments of capital markets							

#### 4. The necessity of legal amendments

Nº	Name of the regulatory act for the task from subsection 2.3	Content of development and changes to the regulatory act	State authority	Deadline for development	Deadline for entry into force
1	The Draft Law of Ukraine "On Amendments to the Law of Ukraine "On State Regulation of Capital Markets and Organized Commodity Markets" and some other legislative acts of Ukraine on regulation and supervision of capital markets and organized	Improving the legal framework to improve the system of state regulation and supervision of capital markets and organized commodity markets, ensuring institutional and financial independence of the domestic regulator of these markets, as well as implementing an effective system of counteraction to abuse in capital and organized commodity markets in accordance with IOSCO Objectives and Principles, and the provisions of the relevant acts of the European Union governing the fight against	Parliamentary Finance, Tax and Customs Policy Committee, NSSMC (by agreement)	Developed	31.12.2022



<b>Nº</b>	<b>Name of the regulatory act for the task from subsection 2.3</b>	<b>Content of development and changes to the regulatory act</b>	<b>State authority</b>	<b>Deadline for development</b>	<b>Deadline for entry into force</b>
	commodity markets" (registration number in the Verkhovna Rada № 5865 of 26.08.2021)	market abuse, in particular EU Regulation № 596/2014 of 16.04.2014 on market abuse (MAR)			
2	the draft Law of Ukraine "On Amendments to the Tax Code of Ukraine (on Improving Taxation in the Sphere of Capital Markets and Organized Commodity Markets)"	Bringing the norms of the Tax Code of Ukraine in line with the provisions of the basic legislation in the field of capital markets and organized commodity markets, including norms on derivative financial instruments; introduction of mechanisms of tax incentives for investors to invest in financial instruments, including long-term investments, in particular through the introduction of special investment accounts; settlement of issues related to the taxation of trade in commodity derivatives and other assets admitted to trading on organized markets, with the transition to taxation of Central Counterparty transactions and transactions carried out on organized markets on a net basis (after netting / clearing); improving the activities of tax agents in the taxation of transactions in financial instruments, and other issues, stimulating investment of individuals in financial instruments by setting a single tax rate of personal income tax for final passive income from individual investment at 5%, creating tax benefits for contributions to non-state pension funds	Parliamentary Finance, Tax and Customs Policy Committee, NSSMC (by agreement)	30.07.2022	01.01.2023
3	The Draft Law of Ukraine "On Amendments to the Law of Ukraine "On agricultural receipts" and some other legislative acts of Ukraine on the	Improving and increasing the liquidity and investment attractiveness of agricultural receipts as a financial instrument. Digitalization of the processes of issuance and circulation of agricultural receipts	Parliamentary Finance, Tax and Customs Policy Committee, NSSMC (by agreement), Ministry of Agrarian Policy	Developed	31.12.2022



<b>Nº</b>	<b>Name of the regulatory act for the task from subsection 2.3</b>	<b>Content of development and changes to the regulatory act</b>	<b>State authority</b>	<b>Deadline for development</b>	<b>Deadline for entry into force</b>
	functioning and circulation of agricultural receipts" (registration number in the Verkhovna Rada № 2805-d of 29.12.2021, revised)				
4	Amendments to the legal framework to address some aspects of derivative contracts	Improving the legal framework for the regulation of derivative contracts markets in order to obtain from the International Swaps and Derivatives Association (ISDA) a positive legal opinion on netting, liquidation netting and securing	Parliamentary Finance, Tax and Customs Policy Committee, NSSMC (by agreement)	Before 31.08.2023	Before 31.12.2023
5	The Draft Law of Ukraine "On Joint Stock Companies" (registration number in the Verkhovna Rada № 2493 of 25.11.2019)	Improving Ukrainian legislation in the field of corporate governance and company activities in accordance with the acts of the European Union, in particular, EU Directive № 2007/36/EU of 11.06.2007 on the exercise of certain rights of shareholders in listed companies and EU Directive № 2017/1132/EU of 14.06.2017 on certain aspects of company law, which includes: <ul style="list-style-type: none"> <li>- introduction of a mechanism for holding general meetings with the use of electronic voting;</li> <li>- introduction of a one-tier management structure in joint-stock companies;</li> <li>- settlement of the issue of liability of officials of the joint-stock company;</li> <li>- bringing the norms on shareholder representation, as well as the rules on mergers, acquisitions, spin-offs and splits of joint-stock companies in accordance with the legislation of the European Union</li> </ul>	Parliamentary Committee on Economic Development, NSSMC (by agreement)	Developed	31.12.2022



<b>Nº</b>	<b>Name of the regulatory act for the task from subsection 2.3</b>	<b>Content of development and changes to the regulatory act</b>	<b>State authority</b>	<b>Deadline for development</b>	<b>Deadline for entry into force</b>
6	The Draft Law of Ukraine "On Compulsory Accumulative Pension Provision" (registration number in the Verkhovna Rada № 2683 of 23.11.2021, revised)	Determination of legal, economic and organizational principles of functioning of the system of compulsory accumulative pension provision in Ukraine	Parliamentary Committee on Social Policy and Protection of Veterans' Rights, NSSMC (by agreement), Ministry of Social Policy, Ministry of Finance	Developed	31.12.2023
7	The Draft Law of Ukraine "On Amendments to the Law of Ukraine "On Non-State Pension Provision" and other legislative acts on improving non-state pension provision"	Improving the regulation, supervision, accountability and reliability of non-state pension providers	Parliamentary Finance, Tax and Customs Policy Committee, NSSMC (by agreement)	30.06.2023	31.12.2023
8	The Draft Law of Ukraine "On Rating" (registration number in the Verkhovna Rada № 5819 of 22.07.2021)	Improving the legal framework for rating and use of ratings, as well as establishing liability for rating agencies for breaches of legislation in accordance with EU law	Parliamentary Finance, Tax and Customs Policy Committee, NSSMC (by agreement)	Developed	31.12.2023
9	The Draft Law of Ukraine "On Investment Funds"	Introduction of the legislative field for functioning of investment funds in Ukraine in accordance with European rules of activity, such as Undertakings for Collective Investment in Transferable Securities (UCITS), alternative investment funds (AIFs), long-term investment funds (ELTIFs), venture capital funds (EuVECA), social entrepreneurship funds (EuSEF) and money market funds (MMFs)	NSSMC (by agreement)	31.12.2023	31.12.2024
10	The Draft Law of Ukraine on the implementation of EU acts in the field of	Ensuring full compliance of Ukrainian legislation with the provisions of EU acts in the field of financial markets infrastructure, in particular, in terms of the	NSSMC (by agreement)	31.12.2024	31.12.2025



<b>Nº</b>	<b>Name of the regulatory act for the task from subsection 2.3</b>	<b>Content of development and changes to the regulatory act</b>	<b>State authority</b>	<b>Deadline for development</b>	<b>Deadline for entry into force</b>
	capital markets infrastructure	functioning of clearing systems, settlement and depository system			
11	The Draft Law of Ukraine on Covered Bonds and Securitization	Creating a legal basis for the introduction of the institution and the development of the asset securitization market	NSSMC (by agreement)	31.12.2023	31.12.2024
12	Creating a legal framework for the operation of crowdfunding platforms	Development of platforms for mass financing of projects using the infrastructure of capital markets in Ukraine	NSSMC (by agreement)	31.08.2025	31.12.2025
13	Creating a legal framework for the launch of the National Investment Fund	Implementing the necessary measures to launch the National Investment Fund, which will introduce professional asset management and help prepare state-owned enterprises for their gradual privatization through the mechanisms of capital markets	Parliamentary Committee on Economic Development, NSSMC (by agreement)	31.12.2024	31.06.2025
14	The Draft Law of Ukraine on settlement of issues of recovery and withdrawal of investment firms from the market	Implementation into the domestic legislation provisions of the European Union legislation in terms of implementing an effective system of early response and supervision based on risk assessment, implementation of improved mechanisms for regulating the procedures for withdrawal from the market of troubled financial institutions	NSSMC (by agreement)	31.12.2025	31.12.2026
15	The Draft Law of Ukraine on compensation schemes for investors	Implementation into the domestic legislation provisions of the European Union legislation regarding the introduction of mechanisms for compensation of investments in securities lost as a result of fraudulent actions	NSSMC (by agreement)	31.12.2025	31.12.2026



<b>Nº</b>	<b>Name of the regulatory act for the task from subsection 2.3</b>	<b>Content of development and changes to the regulatory act</b>	<b>State authority</b>	<b>Deadline for development</b>	<b>Deadline for entry into force</b>
16	The Draft Law of Ukraine on the introduction of the institute of benchmarks	Implementation of the provisions of Regulation (EU) 2016/1011 of 08.06.2016, which establishes framework provisions to ensure the accuracy and fairness of indices used in the EU as benchmarks in financial instruments and financial contracts, or to measure the performance of investment funds	NSSMC (by agreement)	31.12.2026	31.12.2027