








How to start bussiness in Ukraine

Step by step guide



Do-it-yourself to set up LLC without a lawyer

- 1  Copy and translate passport into UA (e.g. Infoperevod translation agency <https://infoperevod.ua>)
- 2  Get personal tax number at Kyiv City Tax Office (Kyiv, Sholudenka street 33\19)
- 3  Get e-signature from tax office list of addresses <https://ca.tax.gov.ua/contacts>
- 4  Think about your corporate address: 1) rent an office, or 2) use your home address in Ukraine
- 5  LLC with model statute can be registered online with E-signature, free of charge <https://diia.gov.ua/services/revestraciya-tov-na-pidstavi-modelnogo-statutu>
- 6  If relevant, get work permit for a foreign CEO (UA nationals do not need work permit) at center of administrative services <https://kyivcnap.gov.ua/>
- 7  After getting work permit, get 1-year temporary residence permit at State Migration Service <https://dmsu.gov.ua/cmu>

How to Start Business in Ukraine - Step by Step

Steps



Legal Forms of Business

The main legal structures for business registration in Ukraine include:

Sole Proprietorship (FOP) - a simple legal form for individual entrepreneurs, suitable for small businesses and offering a simplified taxation system.

Limited Liability Company (LLC) - the most popular form for medium and large businesses, offering flexible operations and limited liability for participants.

Joint-Stock Company (JSC) - suitable for large enterprises planning to attract investors through stock issuance.

Representative Office of a Foreign Company - allows conducting business without establishing a separate legal entity.

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Hiring Employees

In Ukraine, there are several main ways to employ workers:

- ▶ **Employment contract or agreement:** a standard form that regulates the rights and obligations of both employees and employers.
- ▶ **Civil law contract:** hiring workers for specific tasks or services without formal employment.
- ▶ **Gig contracts:** a special format for **Diia City** residents, providing greater flexibility for IT companies.
- ▶ **Employment contract with non-fixed working hours:** employees work only when assigned tasks, without a fixed schedule.

To employ foreigners, an employer must obtain a work permit unless the individual is exempt (e.g., permanent residents or employees of foreign representative offices).



Industry-Specific Regulations and Licensing

Certain industries (Financial activities, Energy and natural resources, Education and healthcare, Production and trade, Construction and infrastructure, Information and communication etc.) require special licenses and permits.



Impact of Martial Law

The government has simplified registration and licensing processes during martial law, making it easier to start a business.

Taxation



Taxation of individuals

- ▶ Standard rate is now 23% (18% Personal Income Tax (PIT) + 5% Military Tax)
- ▶ Self-employed individuals (registered as individual entrepreneurs) have the option to pay 5% unified tax and 1% Military Tax (both of incomes)
- ▶ Special System for IT Specialists - 5% PIT and 5% Military Tax
- ▶ Reduced PIT on Dividends:
 - Dividends from Ukrainian sources are taxed at 5% PIT plus 5% Military Tax, totalling **10%**
 - Dividends from foreign sources and those paid by Ukrainian investment funds are taxed at 9% PIT plus 5% Military Tax, totalling **14%**
- ▶ Available Tax Deductions
- ▶ **NO** Exit tax and Wealth tax



Taxation of companies

- ▶ Standard tax rate is 18% (50% rate for banks and 25% rate for financial service providers except insurers)
- ▶ A simplified tax regime at a low tax rate is available for small businesses (3% of the sales for VAT payers and 5% for VAT non-payers) and agricultural businesses (the tax is based on the land area used)
- ▶ Withholding tax - standard rate is 15% and may be reduced under the double tax treaties (currently, more than 70 double tax treaties are in force between Ukraine and other countries)
- ▶ Transfer Pricing - the Ukrainian transfer pricing rules correspond to OECD transfer pricing guidelines
- ▶ Thin capitalization rules apply
- ▶ 20% VAT applies to local sales except specific transactions subject to 14%, 7%, and 0% VAT
- ▶ 20% reverse-charge VAT applies to import of goods and services
- ▶ No VAT applies to export of IT, consulting and some other services

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