

# eba tax index

May 2016 – April 2017

- Quality of tax legislation
- Complication/easiness of the tax administration
- Fiscal pressure
- Quality of tax service

60 tax experts from EBA member-companies took part in survey

Period: May 2016 – April 2017

# eba tax index dynamics

## 2011-2017

POSITIVE

5

4

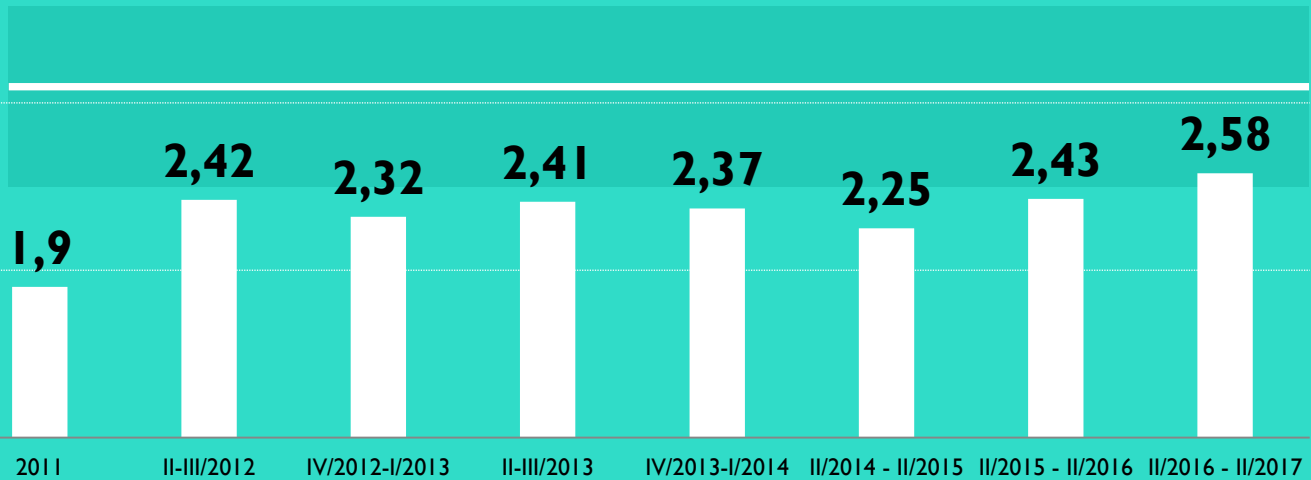
NEUTRAL  
VALUE

3

2

NEGATIVE

1



# tax index: tax legislation

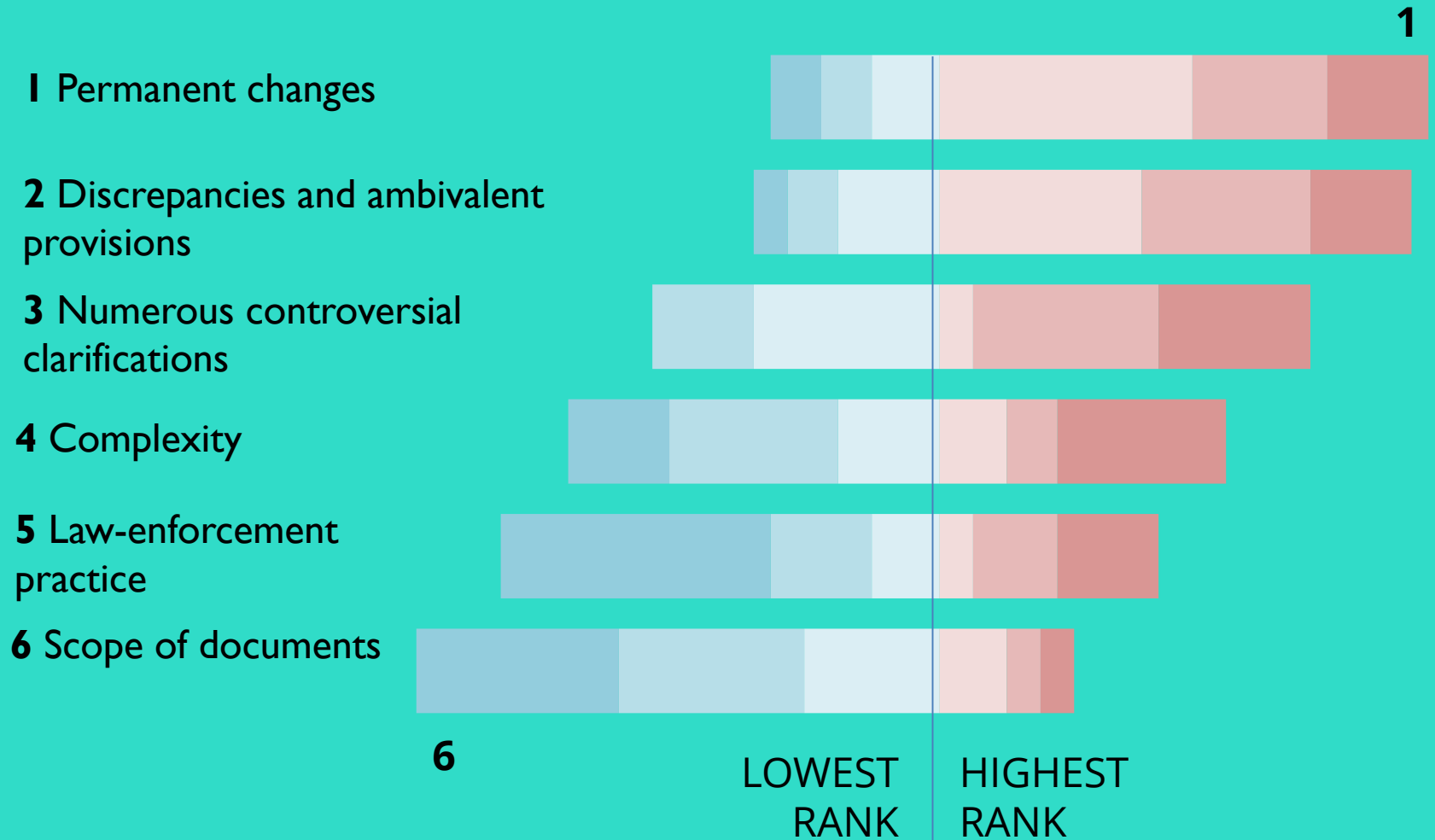
# 67% of tax experts

evaluate the quality of tax legislation in Ukraine as (mainly) low-quality,  
needs complex revision and amendments

“Only tax payers who generated the losses for state budget should be responsible for these tax losses. No their customers - big taxpayers and multinationals should be involved in such investigation like tax pits, void transactions etc.”

# WHY?

[Factors which had a negative impact on the quality of tax legislation in Ukraine]



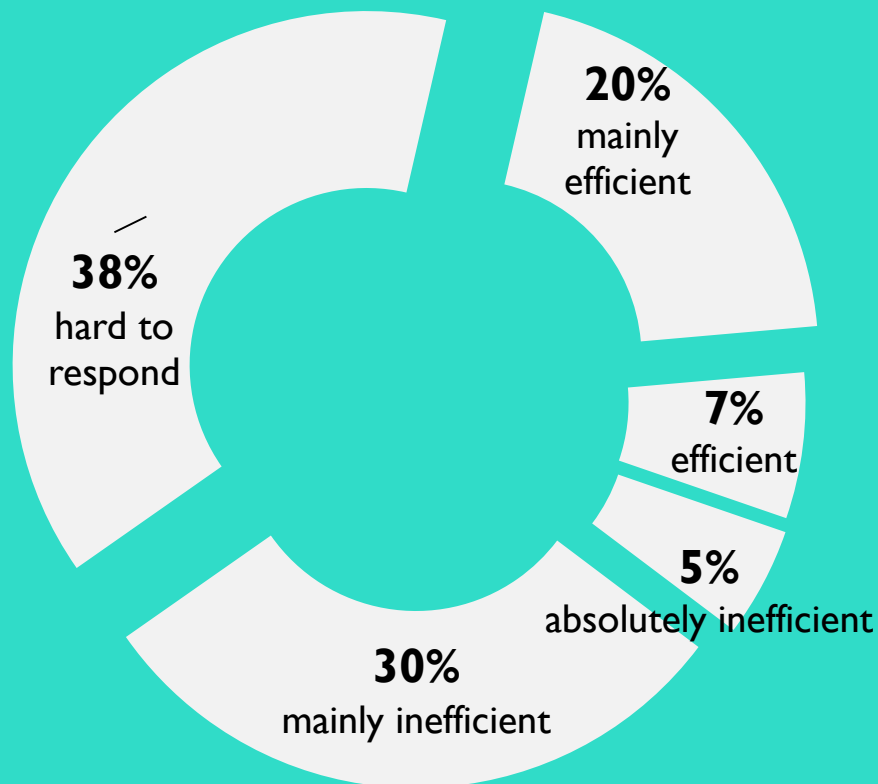


# 35% of tax experts

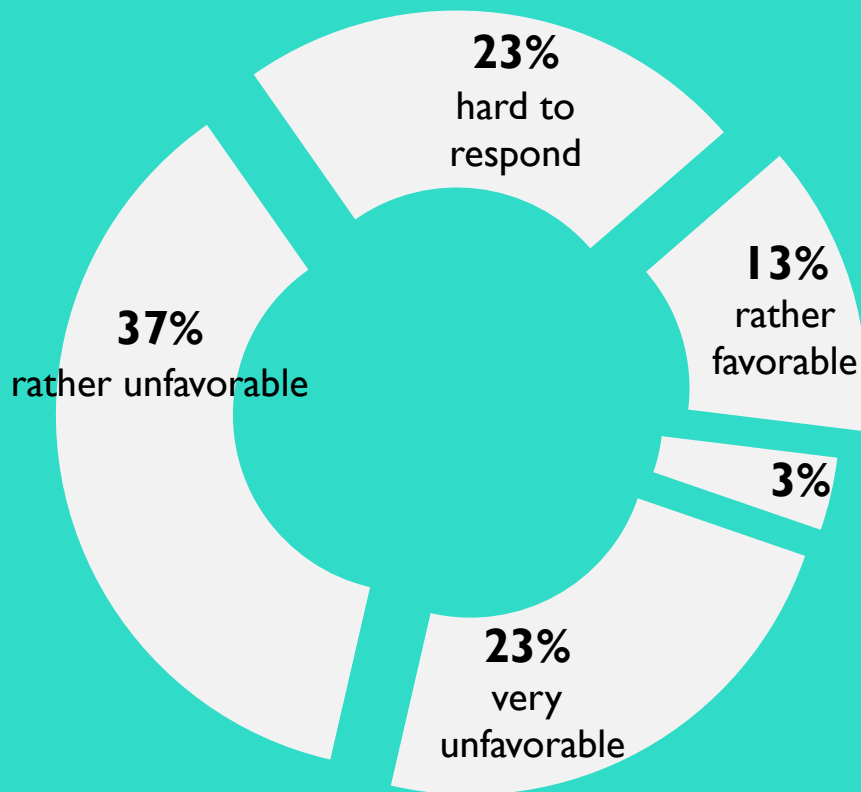
evaluate changes to the tax legislation as absolutely/mainly inefficient and low-quality

“Very high tax rates for oil & gas industry during several years consequently that actually killed most of investment activity in private sector.”

# eba tax index quality of changes in tax legislation

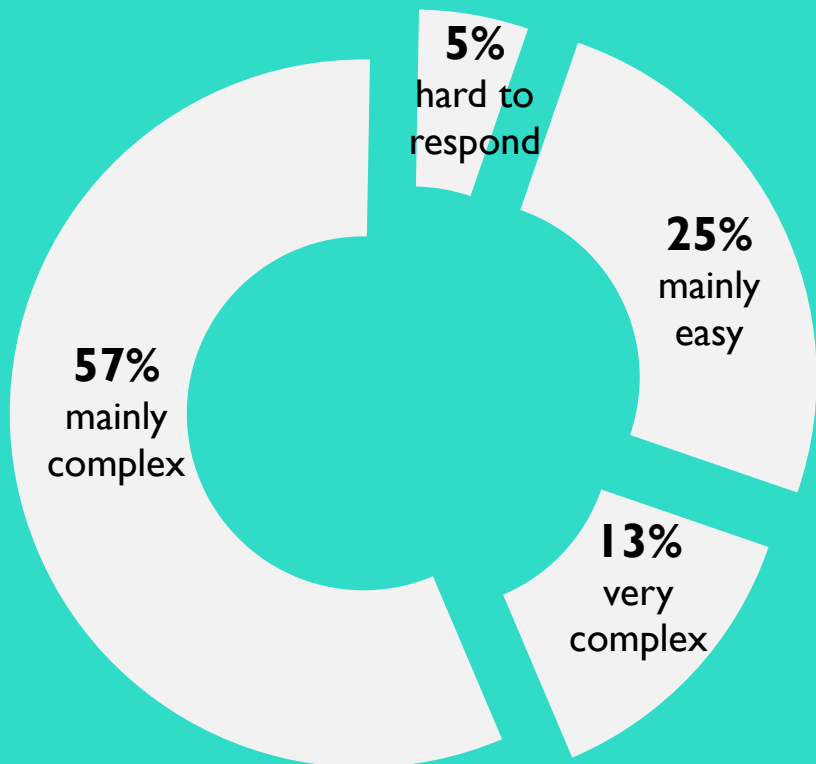


27% of tax experts evaluated the quality of changes in tax legislation made due to the Law of Ukraine No 1797-VIII dd. 21 December 2016 as absolutely or mainly efficient.



3% of tax experts evaluated tax regime as favorable for both doing business in a company and for attraction of foreign investments.

# tax index: complexity/easiness of tax administration



0% of tax experts evaluated complexity/easiness of tax reporting and tax administration as “very easy”. 25% find procedure “mainly easy”.

# WHY?

[Factors which impacted on complexity/easiness of tax reporting and tax administration]

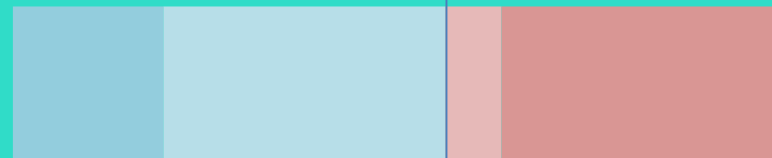
**1** Unclear rules and clarifications regarding the preparation of tax reporting and conducting of payments



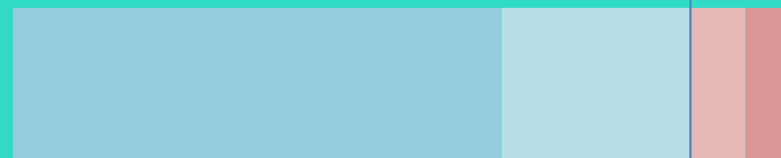
**2** The amount of time spent to prepare tax reporting and tax payments



**3** Imperfection of the electronic tax reporting system



**4** The number of payments



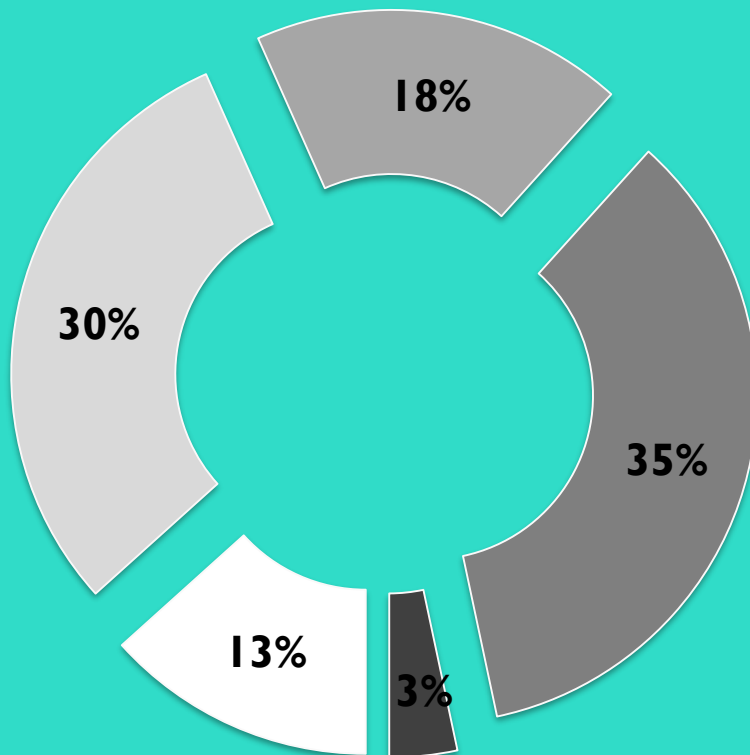
LOWEST  
RANK (3,4)

HIGHEST  
RANK(1,2)

# tax index: fiscal pressure



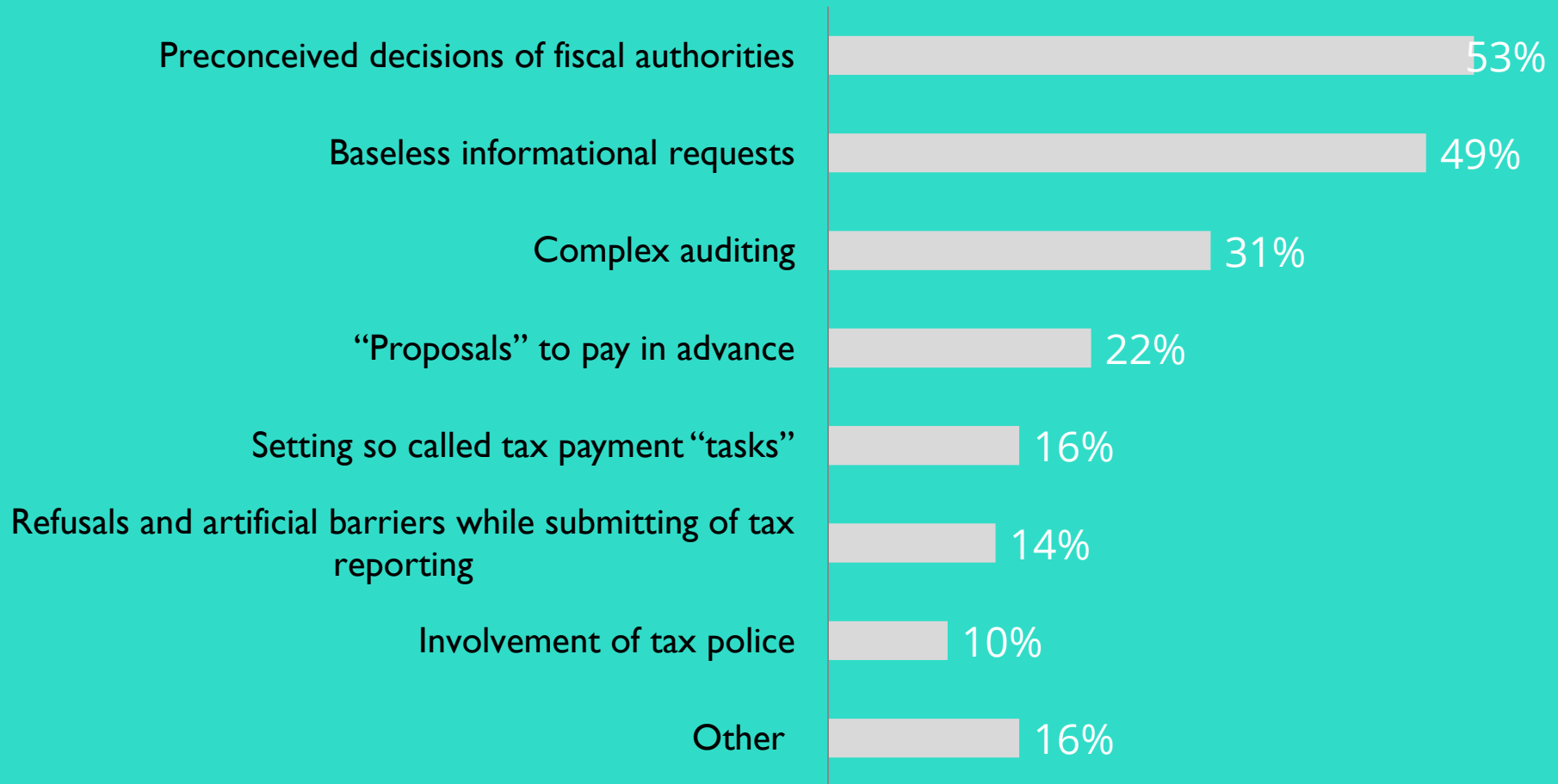
# evaluation of fiscal pressure towards the business



- Fiscal pressure leads to significant difficulties in our company's activity
- Fiscal pressure leads to some difficulties in our company's activity
- Hard to respond
- No significant displays of fiscal pressure
- No displays of fiscal pressure at all

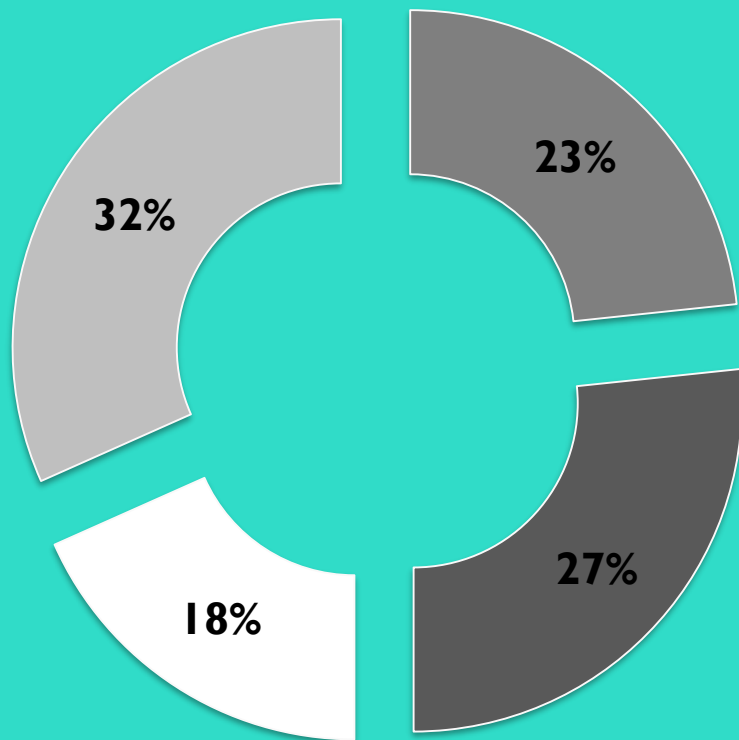
# WHAT?

[Fiscal pressure displays that experts have faced]



# tax index: quality of tax services

# evaluation of the quality of tax services provided by the fiscal authorities



- Absolutely unsatisfied with the quality of tax services
- Mainly unsatisfied with the quality of tax services
- Hard to respond
- Mainly satisfied with the quality of tax services

What tax law changes are  
required by business?

**Tax  
legislation**

**E**liminate contradictions between tax laws

**E**liminate discrimination in taxation

**L**ess tax types

**S**implistic and unified rules, less exceptions

**O**nly tax payers who generated the losses for state budget should be responsible for these tax losses

**P**ersonal responsibility of tax auditors and tax inspectors

**S**implification of the processes

**C**riminalization of corruption-related penalties

**M**inimizing of the number of tax returns

**B**ug fixes in recent changes

**T**axation of distributed profits

**D**etermining the status of the tax police

**I**ncome tax should be replaced

**R**egulation of taxation in the ATO area

**B**enefits for innovative business areas

**Tax  
legislation**

**Transparent tax administration**

**Enter 0% VAT on the export of telecommunications services**

**Timely VAT refund**

**Improve the mechanism for VAT reimbursement**

**Monitoring the work of the State Fiscal Service**

**Reform of the State Fiscal Service**

**Putting responsibility for the misconduct of the State Fiscal Service**

**Use of payment transactions recorders**

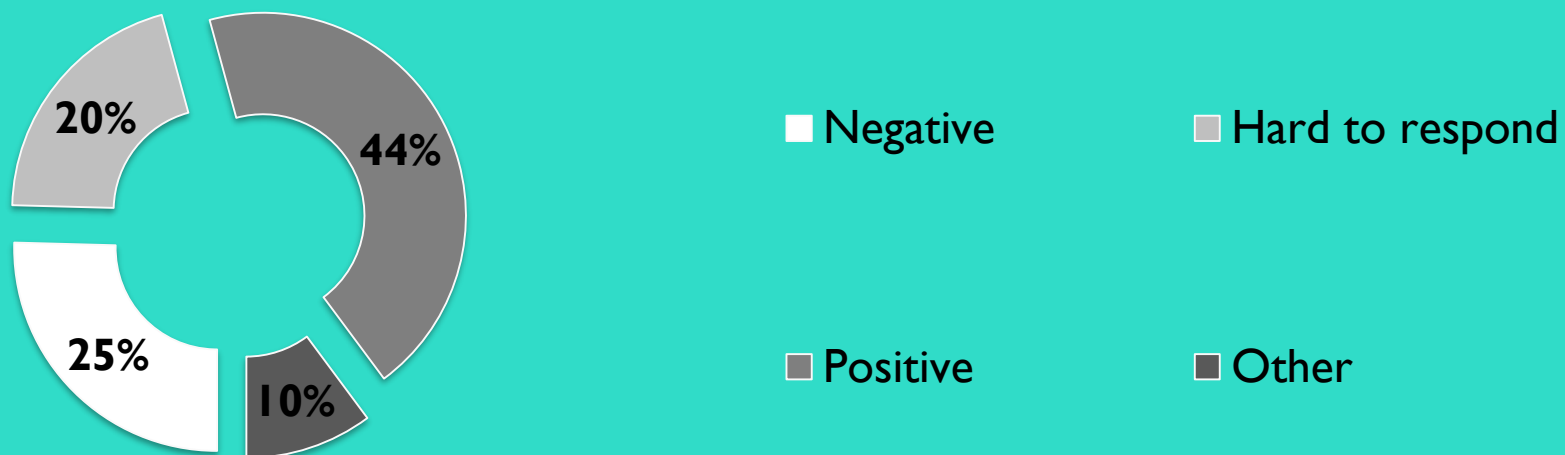
**Taxation on debt write off to be eliminated**

**Do not create additional amendments for taxable net income, that overall complicate tax treatment**

**Accounting for permanent establishments**



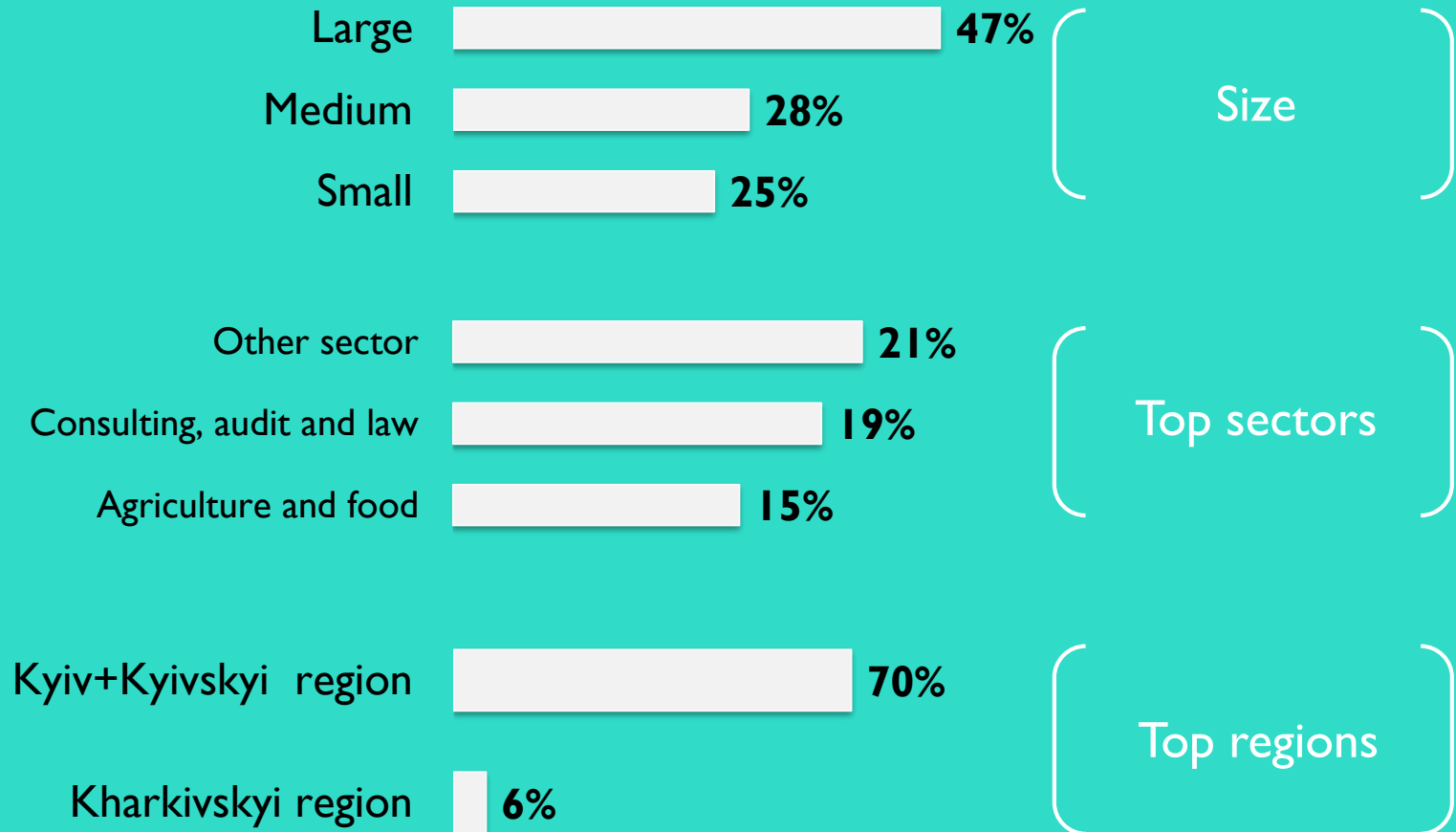
# evaluating changes in terms of salary rise



## 44% of tax experts

evaluated changes in terms of double rise of the minimal salary as positive.

## company's profile: size, industry, region





thank you!

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