

Jurisdiction's name:

Ukraine

Information on Residency for tax purposes

Section I – Criteria for Individuals to be considered a tax resident

The status of a tax resident of Ukraine is defined in accordance with the provisions of Article 14.1.213 of the Tax Code of Ukraine (hereinafter - the Code), which refers to a “resident individual” as an individual who has a place of residence in Ukraine.

If an individual has a place of residence also in a foreign jurisdiction, he/she is considered to be a tax resident of Ukraine if such person has a place of permanent residence in Ukraine; if the person has a place of permanent residence also in a foreign jurisdiction, he/she is considered to be the resident of Ukraine if he/she has closer personal or economic relations to (the center of vital interests in) Ukraine. If the jurisdiction where the individual has the center of vital interests cannot be determined or if the individual does not have a place of permanent residence in any jurisdiction, he/she is considered to be a resident of Ukraine if he/she stays in Ukraine for at least 183 days (including the day of arrival and departure) during the period or the periods of the tax year.

A sufficient (but not exclusive) condition for determining the location of the center of vital interests of an individual is the place of permanent residence of the members of his/her family or his/her registration as the subject of business activity.

Also, a sufficient ground for determining a person as a resident of Ukraine is self-determination by him/her of the main place of residence within the territory of Ukraine according to the procedure established by the Code, or his/her registration as a self-employed person in Ukraine.

At the same time, in accordance with the provisions of Article 3.2 of the Code, if the international treaty establishes other rules, than those provided for by the Code, the rules of the international treaty shall prevail.

All treaties for the avoidance of double taxation have the “Residence” article which defines residence as the jurisdiction where a legal entity or an individual is subject to taxation on the basis of its place of residence, permanent residence, place of management, place of registration, or other similar criterion.

Section II – Criteria for Entities to be considered a tax resident

The status of a resident of Ukraine is defined in accordance with the provisions of Article 14.1.213 of the Code, which refers to a “resident entity” as a legal entity and its subdivisions incorporated and operating according to the laws of Ukraine and located either within or outside the territory of Ukraine.

Legal entities incorporated under the laws of foreign jurisdictions can be recognized as residents of Ukraine and payers of corporate income tax if they have the place of effective management in the territory of Ukraine.

At the same time, in accordance with the provisions of Article 3.2 of the Code, if the international treaty establishes other rules, than those provided for by the Code, the rules of the international treaty shall prevail.

All treaties for the avoidance of double taxation have the “Residence” article which defines residence as the jurisdiction where a legal entity or an individual is subject to taxation on the basis of its place of residence, permanent residence, place of management, place of registration, or other similar criterion.

Section III – Entity types that are as a rule not considered tax residents

None. Ukraine does not introduce the concept of fiscally transparent entities.

Section IV – Contact point for further information

The State Tax Service of Ukraine:

- 1) Department of Taxation of Individuals - for questions related to tax residence of individuals:

<https://tax.gov.ua/pro-sts-ukraini/struktura/aparat/departament-opodatkuvannya-fizichnih-osib/>

- 2) Department of Taxation of Legal Entities - for questions related to tax residence of entities.

<https://tax.gov.ua/pro-sts-ukraini/struktura/aparat/departament-opodatkuvannya-yuridichnih-osib/>