

MULTISERVICE PROVIDER



# QUARTERLY REVIEW: Q3 2025

Significant legislative changes review



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# 01



**MARTIAL LAW**

# Company Director Mobilized: What to Do?

During martial law, these issues should be addressed in advance. Taking into account various methods of corporate management, we shall consider scenarios where the LLC director is appointed by the owner and where the director is also the owner.

- 1) When the legal entity's director (member/third party) is employed under a contract – whether employment or civil law,
- 2) When the director's duties are performed by the founder as the legal entity's owner pursuant to the Articles of Association.

In all cases, the director's identity shall be recorded in the Unified State Register.

## If an Employment Contract Is Chosen

If the Articles of Association recognize the director as an official, an employment contract shall be concluded with such director. Therefore, in the event of mobilization, the same provisions applicable to other employees shall apply to the director.

For employees conscripted for military service during a special period, their position and job shall be preserved at the enterprise, institution, organization, farm, agricultural production cooperative, regardless of subordination and form of ownership, and with sole proprietors where they were employed at the time of conscription, for the duration of the special period or until the date of actual discharge (Part 3, Article 119, Labor Code).

A mobilized director may not be dismissed pursuant to Paragraph 3, Part 1, Article 36, Labor Code, but shall only be released from the performance of duties provided for in the employment contract, which shall be formalized by an appropriate order (directive) of the enterprise.

## Options for Action Upon Mobilization of a Director Under an Employment Contract:

### ✓ Option 1. Replace with another employee:

It is necessary to charge a deputy or another employee with the temporary performance of the director's official duties (for the entire period of absence).





If the Articles of Association provide for the director's right to delegate duties to other employees during temporary absence, it is possible to proceed without a general meeting of the founders in such case. Moreover, assigning the temporary performance of the director's official duties to a deputy or another employee does not require amendments to the Unified State Register regarding change of director.

At the same time, such employee must have all powers of the director, including representation of the company's interests before counterparties with the right to sign contracts, in government authorities, executive authorities, and local self-government bodies, as well as the right to sign tax returns and other documents submitted to regulatory authorities.

Therefore, either a power of attorney or entry of information about such person into the Unified State Register as a representative is required. If this is not done in advance, it will bring us back to the need to convene a general meeting and adopt an appropriate decision by the members.

For the representative to sign tax returns, it will in any case be necessary to enter information about such person as a representative into the Unified State Register and obtain a qualified electronic signature / electronic digital signature for such person.

Such other employee does not need to be notified two months in advance; during martial law, notification of an employee regarding changes to material terms of employment and changes to terms of remuneration provided for in Part 3, Article 32, Labor Code, shall be made no later than before the implementation of such terms (Part 2, Article 3, Law No. 2136).

### ✔ Option 2. Appoint a New Director or Assign Management of the Company to a Member

Both of the aforementioned methods of replacing the director shall unequivocally necessitate convening a general meeting and adopting a decision by the members regarding the replacement of the director.

In this case, since the director is being replaced temporarily, another person shall be appointed, and the Application for State Registration of a Legal Entity (except public associations and authorities) (Form 2) on page 3 shall indicate limitations on such newly appointed director with respect to representation of the legal entity. And here it is possible to specify the time limitation of such restriction,

specific representative functions, or the absence of any limitations on such representation, as well as other information on which the members shall make a decision, which shall be set forth in the minutes.

At the same time, when it comes to assigning management to one of the members, it must be taken into account that the relevant provisions must also be set forth in the Articles of Association. For example, that for a certain period or under certain circumstances (for the duration of such period or circumstances), management of the company is assigned to one of the members, while the period itself, circumstances, and stipulated duties to be performed by such member shall be determined by the members at a general meeting.

### **Options for Action Upon Mobilization of a Director Under a Civil Law Contract**

In such case, such director shall not have the guarantees established by the Labor Code. It is necessary to apply the provisions of the Civil Code, which provide for the following:

- 1) Since the mobilized director cannot perform obligations under the civil law contract, the contract shall be terminated (Part 3, Article 651, Civil Code),
- 2) In the event of contract termination, the parties' obligations shall cease (Part 2, Article 653, Civil Code),
- 3) Termination of the contract shall be executed in the same form as the contract being terminated, i.e., in written form.

Only one option remains: appointment of a new director by a general meeting with entry of relevant information into the Unified State Register. Who this will be and how the new director will be formalized is left to the owners' discretion.

#### **Option 3. Exercise the Powers of an Authorized Representative (Pursuant to the Unified State Register)**

In this situation, it should be taken into account that many companies either specify only the director as representative, or indicate certain limitations on representation (pages 3, 7 of the Application for State Registration of a Legal Entity, Form 2).

In such cases, at a general meeting it will be necessary to adopt a decision to replace the representative with an employee, LLC member, or third party based the examples provided above, and/or review and amend the limitations on the powers of such representative.

The representative or new director must obtain a new qualified electronic signature / electronic digital signature, which will be required for submission of tax and other returns.

### **If the Mobilized Director Is the Sole Member and Employee**

Such sole member-director may also use one of the options provided above, however:

- 1) The Law on LLCs provides that in a company with one member, decisions on matters within the competence of the general meeting of members shall be made by such member of the company unilaterally and shall be formalized by a written decision of such member. The provisions of Articles 32 – 36 of this Law (regarding the procedure for convening, conducting general meetings and voting) shall not apply to a company with one member, and other provisions of this Law shall apply taking into account the provisions of Part 1 of this Article. (Parts 1, 2, Article 37),
- 2) The decision on choosing among options shall depend on whether such mobilized director-member intends to continue business activity through the company at all during such member's mobilization. After all, if not, then liquidation of the company is quite possible. However, in both cases, whether to cease or continue, during the member's absence it is necessary to elect a representative and enter information about such representative into the Unified State Register. In this case, such representative may have limitations regarding the conduct of business activity – conclusion of contracts, obtaining licenses, permits, etc. Such limitations shall be entered in the Application for State Registration of a Legal Entity (Form 2), where on page 7 all such limitations shall be listed (in accordance with the decision of the sole member of the LLC),
- 3) When electing a new director, it is also possible to conclude an employment contract (or civil law contract) with the new director, which may be signed by the mobilized director as the sole member of the LLC or by such member's authorized representative,
- 4) With regard to the release from position of the mobilized director, the sole member of the LLC may expressly set forth in the decision/minutes simultaneously with the election of a new director or "transfer" of powers to the representative. Also, issue a personnel order regarding release from position.



# 02



## **ACCOUNTING AND TAXATION OUTSOURCING**



# As of July 5, 2025 – Mandatory Submission of Statistical and Financial Reporting to the State Statistics Service



As a reminder, by the Law of Ukraine dated March 3, 2022 No. 2115-IX "On the Protection of Interests of Entities Submitting Reports and Other Documents during Martial Law or a State of War" (Law No. 2115), in connection with the military aggression of the Russian Federation against Ukraine, the Verkhovna Rada of Ukraine adopted provisions that during martial law, as well as during three months following its termination, there shall be no administrative and/or criminal liability for individuals, sole proprietors, or legal entities for failure to submit or late submission of reports and/or documents (these provisions did not apply to tax returns).

Pursuant to Paragraph 1 of Law No. 2115, individuals, sole proprietors, and legal entities were granted the right to submit accounting, financial, settlement, and audit reports in documentary and/or electronic form within 90 calendar days after the cessation or cancellation of martial law for the entire period of non-submission of reports or obligation to submit documents (these provisions did not apply to tax returns).

Law No. 4505 amended Law No. 2115: henceforth the provisions of Subparagraphs 1-4, Paragraph 1 of Law No. 2115 shall not apply to the submission of statistical and financial reporting to state statistics authorities and other producers of official statistics, nor to verification of the timeliness and completeness of its submission.

The obligation to submit statistical and financial reporting is in effect since July 5, 2025 (Law No. 4505 was published in "Holos Ukrainy" on July 4).



# Defence City: New Defense Industry Support Regime

The Law of Ukraine "On Amendments to the Tax Code of Ukraine and Other Laws of Ukraine Regarding Support of Defense Industrial Complex Enterprises" dated August 21, 2025 No. 4577-IX (Law No. 4577) amends the Tax Code and establishes the foundation for implementation of the **Defence City initiative** – a unique legal regime for the state support of defense industrial complex enterprises (published on September 4, enters into force one month from the day following the day of publication, i.e., October 5, 2025).



In conjunction with this law, two more were adopted as a basis:

- 1) Amendments to the Customs Code No. 13421
- 2) Amendments to the Budget Code No. 13422-1, awaiting second reading.

## Key Provisions:

- ✓ The Defence City legal regime is introduced until January 1, 2036 (or until Ukraine's accession to the EU).
- ✓ Instead of the List of Defense Industrial Complex Enterprises, the Defence City Register is being created under the management of the Ministry of Defense.
- ✓ Clear rules for residents: status, conditions for obtaining it, and control are defined by the Law "On the National Security of Ukraine."
- ✓ The share of qualified income for residents is 75% or more (for aircraft manufacturing – 50% or more).



**Resident Support Instruments:**

- ✓ tax incentives (exemption from corporate income tax subject to reinvestment, land tax, real property tax, and environmental tax);
- ✓ simplified customs procedures;
- ✓ simplified export control of military goods;
- ✓ possibility for the National Bank of Ukraine to establish special currency control provisions;
- ✓ relocation support and enhanced security of production facilities.

**Enterprises from the List shall also receive:**

- ✓ simplification of customs procedures;
- ✓ simplified export control for military technologies;
- ✓ additional guarantees of protection within criminal proceedings;
- ✓ support in relocation of enterprises;
- ✓ possibility for the National Bank of Ukraine to establish special provisions for currency control and currency operations.

## International Automatic Exchange of Income Data from Digital Platforms

Ukraine is preparing to join the Multilateral Competent Authority Agreement on Automatic Exchange of Information on Income Derived through Digital Platforms (DPI MCAA), which 29 countries, predominantly EU member states, have already joined. This will strengthen international cooperation in the area of tax transparency and enable more efficient enforcement of fair taxation in the digital economy.

On August 27, 2025, the Cabinet of Ministers of Ukraine approved a draft Law "On Amendments to the Tax Code of Ukraine and Certain Other Legislative Acts of Ukraine Regarding the Implementation of International Automatic Exchange of Information on Income Derived through Digital Platforms."

Adoption of the law will provide prerequisites for Ukraine's accession to the global system for exchanging data on income derived through digital platforms (such as Bolt, Airbnb, Booking, Uber, Glovo, etc.).

Information on income of digital platform users who are tax residents of Ukraine shall be received by the State Tax Service both from platform operators and from foreign tax authorities. Taxpayers whose income is subject to the new conditions will mostly not need to file separate returns, as the digital platform operator shall act as the tax agent.

### Key Taxation Changes:

For income of individuals – reportable sellers, a personal income tax rate of 5% shall apply if:

- ✓ a separate bank account for receipts from platforms has been opened and transactions have been conducted through it;
- ✓ such persons are not self-employed and do not have hired employees;
- ✓ annual income does not exceed 834 minimum wages (approximately UAH 6.7 million as of January 1, 2025);
- ✓ there is no trade in excisable goods.

The general personal income tax rate remains 18% for all who do not meet the specified conditions (for example, have hired employees, did not open a separate account, are self-employed).

If no more than three sales through the platform for an amount of up to EUR 2,000 have been made during the year, use of an existing current account opened for personal needs is permitted.

Income from the sale of goods through platforms, if it does not exceed 12 subsistence minimums per year (UAH 36,336 in 2025), is not subject to tax.

This means that one-time small sales of household goods by Ukrainians shall remain outside the tax burden.



**Benefits of the new rules for Ukraine: strengthening the fight against the shadow economy through increased income transparency.**



As of September 1, 2025, the Law has not been adopted and is under consideration by the Verkhovna Rada of Ukraine.

## Microgrants for Creative Industries: Up to UAH 1 Million for Business Development

The government has expanded the microgrant program for entrepreneurs in the field of culture and creative industries: grant amounts and the list of expenses have been increased, and access has been opened to freelancers and companies.

Previously, the microgrant program rules did not take into account the specifics of creative professions, so creative entrepreneurs often lost competition to manufacturing or agricultural companies.

**On August 26, the Cabinet of Ministers of Ukraine adopted a resolution "On Amendments to the Procedure for Granting Microgrants for Creating or Developing One's Own Business."**

The resolution expands opportunities for entrepreneurs in the field of creative industries:

- ✓ the maximum amount of microgrants for entrepreneurs in the field of culture and creative industries has been increased;
- ✓ the list of expenses that can be covered by the grant has been expanded (including specific creative services: text editing, audio and video processing, post-production, payment of royalties);
- ✓ flexible participation conditions have been introduced for various business formats – from freelancer sole proprietors to companies creating new jobs.

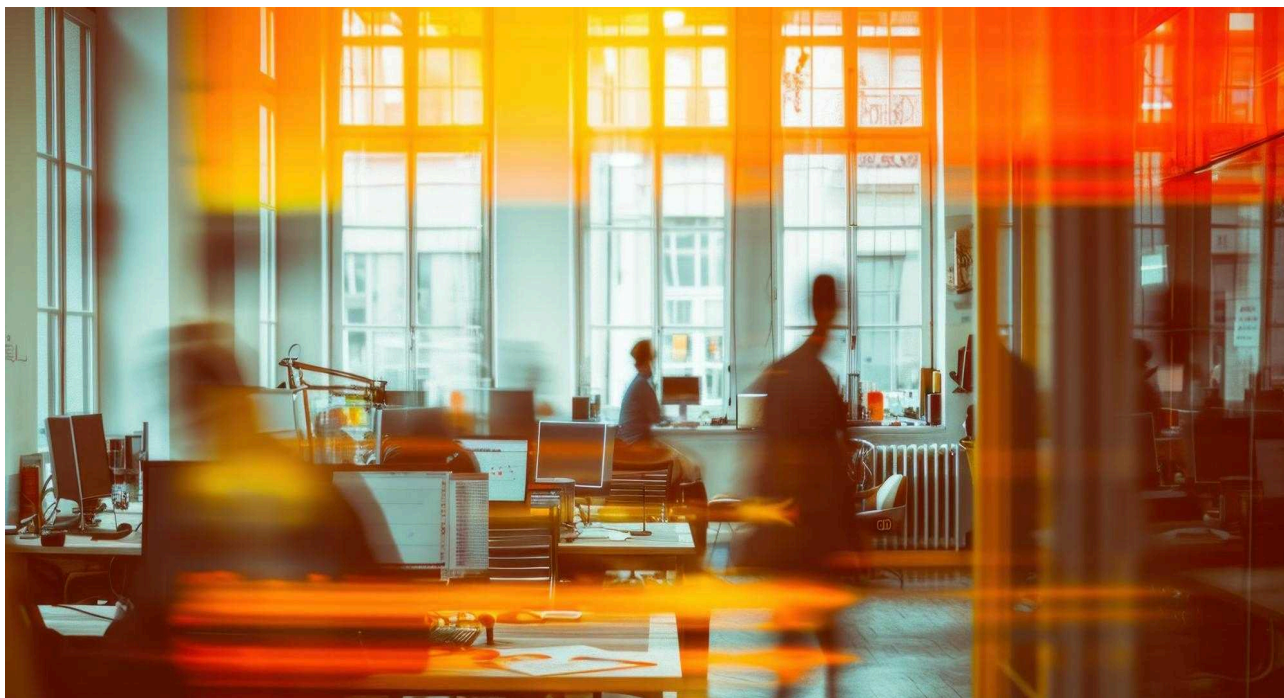


### Microgrant Amounts:


- 1) UAH 100,000 – for freelancer sole proprietors;
- 2) UAH 200,000 – subject to creation of 1 job;
- 3) UAH 500,000 – subject to co-financing and creation of 2 jobs;
- 4) UAH 1,000,000 – subject to co-financing and creation of 4 jobs.

The amendments to the resolution provide for the possibility of receiving grants for business development both by freelancers who work or register for the first time as sole proprietors, and by legal entities operating in the field of creative industries.

This shall facilitate market de-shadowing, growth of tax revenue, as well as creation of new jobs in the field of design, fashion, music, folk crafts, and other creative areas.







03

**PAYROLL OUTSOURCING**



# New Calculation of Sick Leave and Maternity Benefits Under Procedure No. 1266: Changes Already in Effect

On July 18, Resolution No. 837 of the Cabinet of Ministers of Ukraine dated 07/14/2025 entered into force.

The Cabinet of Ministers of Ukraine amended the rules of mandatory state social insurance. These amendments concern the calculation of average wages for sick leave benefits, maternity benefits, and payments in case of an accident.

Amendments have been made to:

- 1) Procedure No. 1266 – regarding the calculation of average wages for social security benefits;
- 2) Resolution No. 531 – concerning the rights of certain categories of insured persons;
- 3) Resolution No. 986 – concerning the capitalization of payments to the Social Insurance Fund in case of liquidation of the insurer.

Key updates to Procedure No. 1266:

- ✓ months without work (from the first to the last day of the calendar month) shall be excluded from the calculation period, together with income earned during such months;
- ✓ average wages under this Procedure shall also be calculated for payment for the first 17 days of temporary disability, if it is a workplace accident or occupational disease;
- ✓ certain cases of average wage calculation for insurance payments in case of loss of working capacity due to occupational risk have been clarified.

There are also changes for Diia City residents and voluntarily insured persons.

For Diia City residents, there are specific features of Unified Social Contribution accrual on employees' wages and gig contractors' remuneration (Part 14-1 of Article 8 of Law No. 2464):



- 1) on the amount of wages accrued to each insured person by type of payment, including base and additional wages, other incentive and compensation payments, including in-kind payments – **in the amount of the minimum insurance contribution (in 2025, UAH 1,760);**
- 2) on the amount of remuneration to individuals for performance of work (provision of services) under gig contracts – **in the amount of the minimum insurance contribution (in 2025, UAH 1,760).**

**Diia City residents do not apply such preferential Unified Social Contribution accrual to:**

- ✓ payment for the first five days of temporary disability;
- ✓ temporary disability benefits;
- ✓ pregnancy and childbirth benefits.

For example, if UAH 50,000 in wages and UAH 10,000 in sick leave benefits were accrued for June 2025, a Diia City resident (complying with all requirements of Law No. 1667) shall accrue Unified Social Contribution as follows:

- ✓ on wages – in the amount of the minimum insurance contribution of UAH 1,760.00 (UAH 8,000 × 22%);
- ✓ on the full amount of sick leave benefits attributable to the month, at the rate of 22% – UAH 2,200 (UAH 10,000 × 22%).



# 04



**HR CONSULTING**



# Notification to Tax Authorities When Concluding a Civil Law Contract

The obligation to submit notification of employment to the State Tax Service was established by Resolution No. 413 of the Cabinet of Ministers of Ukraine dated June 17, 2015, which was developed pursuant to the requirements of Part 3 of Article 24 of the Labor Code.

The provisions of this article regulate exclusively the procedure for concluding an employment contract and do not extend to civil law relations.

At the same time, the Ministry of Economy in its clarifications notes the mandatory notification by Diia City residents to the tax service regarding the conclusion of gig contracts and civil law contracts with specialists.

This is related to ensuring prompt entry of information about the individual into the register of insured persons, which may affect the assignment of social security benefits to such individual. The notification form even provides for a separate category for persons working under civil law contracts (category "4").



Therefore, the notification of employment shall be submitted:

- 1) in case of concluding an employment contract or gig contract (for Diia City residents);
- 2) for civil law contracts, submission of such notification is not obligatory under the laws and provisions of the Labor Code.



# Civil Contract or Employment Contract

The basic principle for choosing between a civil and employment contract is to determine the nature of the work performed: result or process:

- ✓ If the work is aimed at achieving a specific result and is of a one-time nature, **a civil law contract is appropriate.**
- ✓ If the work is an ongoing process of providing services or performing functions, **an employment contract is required.**

A civil law contract may only be concluded for a specific task with a clear result, examples:

- ✓ replace parquet flooring
- ✓ clean premises (one-time)
- ✓ load a vehicle
- ✓ assemble furniture
- ✓ develop a website
- ✓ write an article
- ✓ translate a document

It is prohibited to conclude a civil law contract when the work involves a continuous process of providing services, e.g.:

- ✓ cashier, salesperson
- ✓ doctor, nurse
- ✓ accountant
- ✓ security guard
- ✓ full-time driver
- ✓ cleaner (ongoing cleaning)





If it is not possible to clearly define the final result of certain work and the deadline for achieving it, this indicates that an employment contract is required, not a civil law contract.

There is relevant case law regarding which professions are prohibited from entering into civil law contracts.

#### ✓ Accountants

**Court decision:** Resolution of the Supreme Court dated 03/04/2021 in case No. 0840/3691/18

**Court's justification:** Article 8 of the Law "On Accounting and Financial Reporting in Ukraine" does not provide for the conclusion of an accounting services contract with an individual.

**A civil law contract is not possible because:** accounting is maintained on an ongoing basis, requires systematic control, is of a regular nature, and requires access to confidential information.

#### ✓ Nurses

**Court decision:** Resolution of the Supreme Court dated 03/30/2021 in case No. 380/1563/20

**Court's justification:** A nurse is a medical worker who must have qualifications in the field of study "Medicine," with a specialty in "Nursing," "General Medicine," or "Midwifery." Specialization in "Dentistry."

**A civil law contract is not possible because:** specialized education and qualifications are required, the work is of a regular nature, compliance with medical protocols is necessary, and there is responsibility for the life and health of patients

#### ✓ Workers in high-risk occupations (machine operators, gas station employees, electricians, welders)

**Court decision:** Resolution of the Supreme Court dated 06/02/2021 in case No. 260/613/19

**A civil law contract is not possible because:** the work is classified as high-risk, requires special permits, necessitates official registration, and mandatory accident insurance

✓ **Salespersons, Cashiers**

**Court decision:** Resolution of the Supreme Court dated 03/06/2025 in case No. 260/4202/24

**A civil law contract is not possible because:** a salesperson is a staff function, works according to an established schedule, uses the employer's property, reports to the enterprise's management, receives regular remuneration, and is obligated to perform functional duties

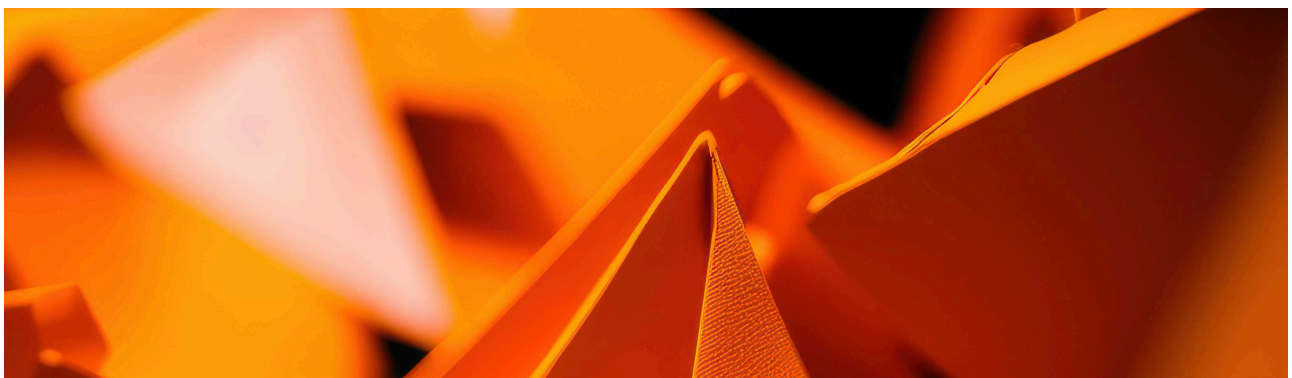
Under existing case law, courts protect employees' rights and classify as employment relations any work with signs of subordination, regularity, and integration into the work process.



**Conclusion:**

If it concerns an ongoing process of providing services or performing functions, an employment contract with the employee must be concluded.

If the work is aimed at achieving a specific result and is of a one-time nature, a civil law contract may be concluded.





An aerial photograph of a city, likely Vienna, featuring the prominent blue and white domed St. Stephen's Cathedral (Stephansdom) in the center. The city is surrounded by hills and other buildings, with a warm, golden light suggesting sunrise or sunset. A large, white, semi-transparent number '05' is overlaid on the upper left portion of the image.

05

**LEGAL CONSULTING**

# Resumption of the Statute of Limitations



The Civil Code repealed the provision under which during the period of martial law, the running of the statute of limitations was suspended for the duration of martial law.

Law of Ukraine No. 4434-IX dated May 14, 2025 "On Amendments to the Section "Final and Transitional Provisions" of the Civil Code of Ukraine Regarding the Resumption of the Statute of Limitations" was adopted and published on June 3, 2025 in "Holos Ukrainy" No. 108.

The Law shall enter into force on September 4, 2025 – three months from the day following its publication

**The Law provides as follows:**

Paragraph 19 of the Section "Final and Transitional Provisions" of the Civil Code of Ukraine (Bulletin of the Verkhovna Rada of Ukraine, 2003, Nos. 40-44, Article 356) shall be deleted.

**The deletion of Paragraph 19 of the Section "Final and Transitional Provisions" from the Civil Code means that from the day following the effective date of Law No. 4434, we shall continue to calculate the statute of limitations period, which:**

- ✓ either had not yet expired as of April 2, 2020;
- ✓ or had not yet begun to expire as of April 2, 2020. That is, this concerns a statute of limitations that arose in the period after April 2, 2020 and shall begin to be calculated from the day following the effective date of Law No. 4434.



# As of August 27, 2025, new rules for members' contributions to additional capital of LLCs are in effect

On August 26, Law No. 4564-IX regarding ensuring the possibility of creating additional capital by a company and making contributions by company members to the additional capital of companies was officially published in "Holos Ukrainy," and entered into force on August 27.

The Law was developed to supplement the Law on LLCs with provisions regarding the possibility of:

- ✓ creating additional capital in an LLC, which is a separate institution from the institution of charter capital of the LLC,
- ✓ attracting investments in the form of members' contributions to additional capital of the LLC without changing the size of the charter capital of the LLC and without changing the shares of LLC members

The Law provides that, apart from the charter capital of the company, the charter of the company may provide for the creation of additional capital of the company through contributions by its members. Contributions to the additional capital of the company shall be made by members without changing the nominal value or the size of the charter capital of the company. The decision of the general meeting of company members on attracting a contribution to the additional capital of the company shall determine the amount of such contribution. A company member's contribution to the additional capital of the company may consist of cash, securities, or other property, unless otherwise established by law.

Until now, the legislation did not provide for provisions regarding additional capital in LLCs that investors could rely upon without any reservations and obtain legal opinions (so-called legal opinions) without reservations about possible risks associated with the gap in corporate legislation regarding contributions to additional capital that currently exists.

Corporate law legislative acts of many countries include provisions regulating relations that concern or are equivalent to contributions to additional capital of LLCs.



It was in Ukraine's interest that Ukrainian and foreign investors have mechanisms and choice for executing investment transactions within Ukrainian jurisdiction.

## Modernization of the Property Relations System

With the entry into force of the Law of Ukraine "On Specific Features of Regulating the Activities of Legal Entities of Certain Forms of Incorporation during the Transitional Period and Associations of Legal Entities" dated January 9, 2025 No. 4196-IX (Law No. 4196-IX) and the lapse of the Commercial Code of Ukraine, the system of property relations in the public sector has undergone significant changes. Lawmakers abandoned outdated forms of asset management, such as economic management and operational management. These instruments have been replaced by a modern type of real property right – **usufruct**.



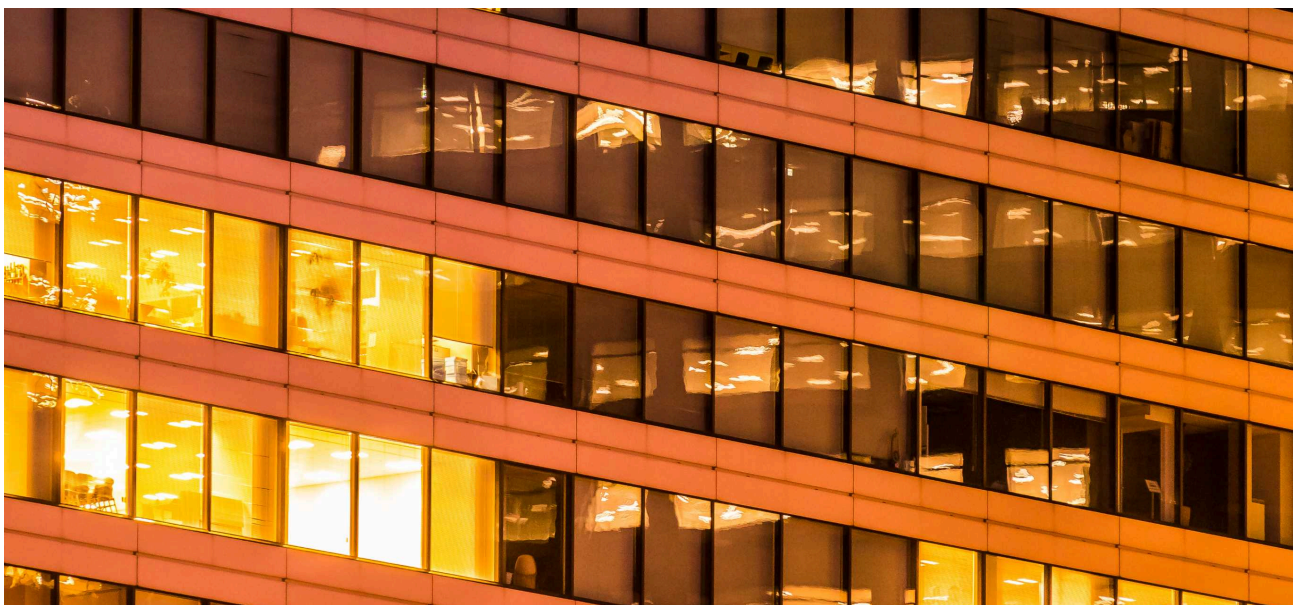
Usufruct allows authorities and communities to transfer state and communal property into gratuitous possession and use (for a term of up to five years or indefinitely).

The mechanism for transferring property under the right of usufruct, the procedure for submitting documents, and mandatory control over use are established in the "Procedure for Transferring State and Communal Property under the Right of Usufruct of State or Communal Property, and Exercising Control over the Use of Such Property" (Procedure), approved by Resolution of the Cabinet of Ministers of Ukraine dated September 8, 2025. No. 1103.

Government authorities and local self-government bodies may transfer objects of state and communal property for use (usufruct) to state and communal business companies, enterprises with a state or communal share exceeding 50%, as well as to legal entities whose sole founder is the state or community.

**The right of usufruct** is a limited real property right to use another's property, with the right to obtain income from it, but without the right to sell, donate, or alienate it. This right is being implemented to replace the now-outdated rights of economic management and operational management.

**The Procedure does not apply** to relations regarding the use of property already accepted in the defense industrial complex, nor to objects transferred to operators of energy and gas transmission systems. However, new relations for the use of such property shall be transferred under the right of usufruct.





A low-angle photograph of a classical building with a clock tower and a modern building with a glowing facade. The clock tower is white with a green dome and a spire. The modern building has a glowing orange facade. The sky is a clear blue.

# 06

## **TRANSFER PRICING**



# 2025 Controlled Transactions Report – New Emphases

The Controlled Transactions Report is a tax control mechanism that allows assessing whether a company's profit has been understated through transactions with related parties, particularly in international groups.

In 2025, key rules determining the obligation to submit the Controlled Transactions Report have been updated. **The transfer pricing mechanism is not new, but there are changes.**

**In 2025, the criterion for determining relatedness has been supplemented.** Namely, an economic criterion applies: if more than 75% of a company's income or volume of purchases is attributable to one non-resident and this represents more than 50% of total income or volume of purchases, the parties shall be deemed related.

**Conclusion:** in the absence of direct ownership of corporate rights, a company may be subject to the reporting obligation, a new relatedness criterion has been added – **economic**.

## Changes in Lists of Risky Jurisdictions

Approaches to forming the list of states (territories) have been modified – criteria regarding compliance with recommendations of international organizations on combating money laundering and the availability of information exchange are now considered. The composition of the lists may change, therefore current data should be verified in Resolutions of the Cabinet of Ministers of Ukraine No. 1045 (list of countries with low tax burden) and No. 480 (list of forms of incorporation).

**Conclusion:** The list of risky countries and jurisdictions may undergo changes annually; jurisdictions familiar to business may unexpectedly be added to such list or, conversely, removed from the list. Verification of current lists is a mandatory part of report preparation.

**Selection of Transfer Pricing Method.** This is not new, but application of a method without proper justification is one of the main reasons why the State Tax Service requests explanations or makes additional assessments of corporate income tax. Most often, this occurs when the profit margin method is chosen instead of the comparable uncontrolled price method without analytical justification.

# 09



**IT CONSULTING**

# Updates and releases of the BAS product line

**03–10.07.2025** In the Program Updates service on the ITS portal, the external report “Profit Tax Declaration” was published for the following configurations:

- BAS Rent and Property Management (PROF, CORP), version 2.1.31.2
- BAS AGRO. Accounting for Elevator, Mill and Feed Mill, version 2.1.38.2
- BAS AGRO Accounting, version 2.1.38.2
  
- **11 July 2025 BAS Small Business (Basic, PROF) – new release 2.0.1.2**
- **26 July 2025 BAS Trade Management, edition 3.2 – new release 3.2.39.2, BAS Trade Management, edition 3.5 – new release 3.5.16.2**

What’s new in product versions:

1) Fixed identified issues.

## 15–31 July 2025

- BAS Accounting (Basic, PROF, CORP) – new release 2.1.31.1
- BAS Construction. Accounting – new release 2.1.29.1
- BAS AGRO Accounting – new release 2.1.39.1
- BAS AGRO. Accounting for elevators, mills, and feed mills – new release 2.1.39.1
- BAS Integrated Enterprise Management, edition 2.1 – new release 2.1.39.2
- BAS Construction. Financial Management – new release 2.1.28.1
- BAS ERP, edition 2.5 – new release 2.5.16.2
- BAS Integrated Enterprise Management, edition 2.5 – new release 2.5.16.2
- BAS Payroll and HR Management (Basic, PROF) – new release 3.0.7.5
- BAS Real Estate Management (PROF, CORP) – new release 2.1.32.1
- BAS AGRO. Integrated Enterprise Management, edition 2.5 – new release 2.5.16.2



## 05 August 2025

- **BAS Holding Management – new release 2.0.29.1**

## 17–24 September 2025

- **BAS Construction ERP, edition 2.1 – new release 2.1.39.2**
- **BAS Construction ERP, edition 2.5 – new release 2.5.16.2**
- **BAS AGRO. Integrated Enterprise Management – new release 2.5.16.3**
- **BAS Construction. Integrated Enterprise Management – new release 2.5.16.2**

## New in product versions

### 1) Payroll and HR (for configurations:

BAS Accounting CORP, version 2.1.31.1;

BAS Integrated Enterprise Management, version 2.1.39.2;

BAS Payroll and HR Management (Basic, PROF), version 3.0.7.5;

BAS Real Estate Management CORP, edition 2.1, version 2.1.32.1;

BAS AGRO. Integrated Enterprise Management, version 2.5.16.2;

BAS Holding Management, version 2.0.29.1

BAS Construction ERP, versions 2.1.39.2 and 2.5.16.2;

BAS Construction. Integrated Enterprise Management, version 2.5.16.2)

### ✓ Military registration

- In the “Reservation of Citizens” document, it is now possible to generate a printed form in accordance with Appendix 1 of the Procedure for Reserving Conscripts during Mobilization and Wartime (Cabinet of Ministers Resolution No. 76 dated 27.01.2023).

### 2) Fixed assets

- Implemented printed forms for fixed assets approved by the Order of the Ministry of Finance of Ukraine No. 818 dated 13.09.2016.  
These forms are mandatory for budgetary organizations but may be optionally used by enterprises of all legal forms.

### 3) Regulated reporting

#### ✓ Income Tax Declaration:

- implemented according to the Ministry of Finance Order No. 621 dated 05.12.2024.

#### ✓ Excise Tax Declaration:

- implemented according to the Ministry of Finance Order No. 195 dated 11.04.2025.

#### ✓ Notice of Employee Hire:

- amended per Cabinet of Ministers Resolution No. 184 dated 21.02.2025.

### 4) Crop Production (Only for BAS AGRO. Integrated Enterprise Management, version 2.5.16.3)

#### ✓ Warehouse (grain yard):

- "Initial Balances Entry for Yard" document allows input of initial material balances.
- "Weighing at Yard" document records material movements (Harvest from Field, Grain Receipt, Internal Transfer, Sale from Yard).
- "Turnover Balance Report by Yard" provides analysis of material movements and balances for a selected period.

### 5) Animal Husbandry (Only for BAS AGRO. Integrated Enterprise Management, version 2.5.16.3)

#### ✓ Milk Accounting:

- The "Milk Yield" report provides data on milk production based on the "Milk Yield" document.

### 6) Construction Module (Only for BAS Construction. Integrated Enterprise Management, version 2.5.16.2)

#### ✓ Optimized and improved AVK data import, added import of energy resources and equipment.

## 23 July 2025

- **Management of Manufacturing Enterprise for Ukraine – new release 1.3.89.1**
- **BAS Trade Enterprise Management – new release 1.2.78.2**

## 24 September 2025

- **Construction Organization Management for Ukraine – new release 1.3.89.2**

## New in product versions:

### 1) Regulated reports:

- Excise Tax Declaration – implemented per Ministry of Finance Order No. 195 dated 11.04.2025
- Income Tax Declaration – implemented per Ministry of Finance Order No. 621 dated 05.12.2024

## New ITS Service “Signature”

Launched on 12 August 2025.

The service allows licensed BAS users to conveniently work with qualified electronic signatures (QES) directly within BAS applications.

- Subscription cost: UAH 6,600/year (incl. VAT)
- Free trial: 7 days

### Functionality:

- QES signing of printed documents and business processes in BAS
- Storage of signed PDFs with signature decoding
- Support for all Ukrainian QES providers (files \*.pfx, \*.pk8, \*.dat, \*.jks, etc., and hardware tokens)
- Group signing and signature removal
- Supported signature types: CAdES-BES, CAdES-T, CAdES-C, CAdES-X Long, CAdES-X Long Trusted

### Advantages:

- ✓ Legal validity (per the Law of Ukraine “On Electronic Trust Services”)
- ✓ Automated business processes and transparent audit trail
- ✓ Reliability and security – signed documents cannot be altered
- ✓ Time and cost savings – no need for printing, scanning, or mailing
- ✓ Integration with BAS programs and support for existing EDI services



**11–12 August 2025**

**In the ITS “Program Updates” service, an external report “Excise Tax Declaration” was published for configurations:**

- BAS AGRO. Accounting for elevators, mills, and feed mills, version 2.1.39.1
- BAS AGRO Accounting, version 2.1.39.
- BAS Construction. Accounting, version 2.1.29.1
- BAS Construction. Financial Management, version 2.1.28.1
- BAS Accounting (Basic, PROF, CORP), version 2.1.31.1
- BAS ERP (versions 2.1.39.2 and 2.5.16.2)
- BAS Integrated Enterprise Management (versions 2.1.39.2 and 2.5.16.2)
- BAS Trade Enterprise Management, version 1.2.78.2
- Management of Trade Enterprise for Ukraine, version 1.2.78.1
- Management of Manufacturing Enterprise for Ukraine, version 1.3.89.1
- BAS Real Estate Management (PROF, CORP), version 2.1.32.1

**07 August 2025 RDI Service published an updated external report form “Excise Tax Declaration” for configurations:**

- BAS Accounting (Basic, PROF, CORP)
- BAS ERP (ed. 2.1 and 2.5)
- BAS Integrated Enterprise Management (ed. 2.1 and 2.5)

**18 August 2025 A new version 8.3.23.2299 of the Business Automation Framework (BAF) platform was published on the ITS portal.**

Now includes a BAF client for macOS, updated together with the platform. It enables native access from Mac devices without “crutches”, improving compatibility for mixed IT environments and remote work.

System requirements: macOS 10.12 or higher.

Note: In the latest macOS 15 Sequoia, Apple introduced Apple Intelligence, an AI technology based on ChatGPT, with major updates to Siri and the personal assistant.

## 22 September 2025

- **BAS Transport Management Standard – new release 2.2.12.1**

What's new:

- Added new data export to BAS Trade Management configuration.
- Fixed identified issues.

## 30 September 2025

**In the “Program Updates” service of the ITS portal, an external report “Income Tax Declaration” has been published for configurations:**

- BAS Real Estate Management (PROF, CORP), version 2.1.32.1
- BAS Construction. Accounting, version 2.1.29.1
- BAS Construction. Financial Management, version 2.1.28.1

# A5.ERP Product Line Updates and Releases

## 10 September 2025

### **A5.ERP – Version 1.41.0**

**Subsystem updates: “HR Management”, “Payroll”, “Accounting and Tax Accounting”.**

New features:

#### **1) HR Management subsystem:**

- Staffing Reports: implemented new reports — Worker Staff, Engineering-Technical Staff, and Employee List (with payroll data).
- Added the ability to manage temporary positions in staffing plans.
- New “Admission Status” list implemented.
- Improved display of brigades (added department name).
- Enhanced report printouts showing salaries and hourly rates.

- New allowances added:
  - Team leadership allowance
  - Professional mastery bonus
  - Night shift allowance
  - Overperformance bonuses
- “Staffing Book” report improvements: display of long-term absences (maternity leave, mobilized employees) and English proficiency data.
- Added search filters for “Special Record” category by active dates and list numbers.
- Added disciplinary order reason text display in employee card.
- Added display of military rank assignment orders in employee card.
- Added “Tariff Grid” display when selecting grade.
- Added document route approval history display.
- Enabled recall from temporary suspension of employment contract.
- Improved order for compensation for work on weekends.
- Added function for changing employee data without name change.
- Enhanced “Vacation Planning” interface with approval and annual schedule generation.
- Updated approval process: rejected applications are now returned for revision and can be resubmitted.
- Added import of “Military Accounting Specialty” and “TCC and SP Name by Registration Place.”
- Improved report on the number of employees eligible for and subject to reservation.


## 2) Payroll subsystem:

- Timesheet: allows adjustment of worked days based on worked hours.
- Developed document for material aid to dismissed employees and integrated processing into payroll.
- Enabled emailing of payslips for any selected period.
- Added function for removing erroneously migrated records from payslip data.
- Enhanced sick leave and Social Security Fund payment processing.
- Improved payroll calculation for hourly employees.
- Enhanced payroll reports: consolidated report, payslip for period, payment notice, bank transfer list, payment statement, and client-bank export file.



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