

TAXATION OF INDIVIDUAL ENTREPRENEURS

Conditions in 2024



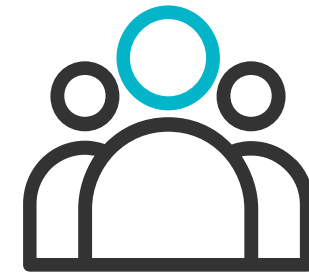


GENERAL SYSTEM OF TAXATION OF INDIVIDUAL ENTREPRENEURS



1.1. Basic taxes, payments, and their rates:

- personal income tax - **18%** of profit;
- military duty - **1.5%**;
- single contribution - **22%** of income but not less than the minimum size of the single contribution (**from January 1, 2024 - UAH 1562 , from April 1, 2024 - UAH 1760**)
- value added tax - in case of exceeding **UAH 1 mln** of income for the last 12 months, or in the case of a voluntary registration;
- excise tax;
- property tax;
- etc.



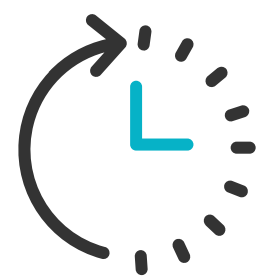
1.2. Number of employees

Unlimited.



1.4. Accounting

Accounting for income and expenses according to approved standard forms in paper or electronic form, including through the E-cabinet keeping inventory records.



1.3. Activities

Unlimited.



1.5. Reporting*

The Deadline for submitting the declaration of property status and income for the reporting tax period is before May of the following year.

* If it is impossible to submit the Declaration on time - the obligation to submit it within 6 months after the end of the abolition of martial law.

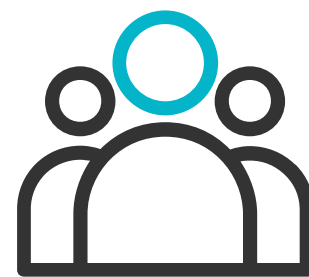


GENERAL SYSTEM OF TAXATION OF INDIVIDUAL ENTREPRENEURS



1.6. Payment terms:

- personal income tax, military duty - advance payments by the 20th day of the month following the quarter (**April 20, July 20 and October 20**). The advance payment for the fourth calendar quarter is not calculated and not paid. If it is impossible to pay on time, the duty must be completed within 6 months after the end of the abolition of martial law;
- deadline for the single contribution is by the 20th day of the month following the quarter. Report of the single contribution of the calendar year is submitted in the form Appendix 1 during the reporting period. The individual has the right not to pay any fees since March 1, 2022 and for 12 months after the end of martial law. Absence of payments will not affect their insurance experience.



1.7. If there are employees*

Report during 40 calendar days after the end of the quarter.
Payment (**personal income tax, military duty, single contribution**)
- monthly when paying income.

* If it is impossible to submit a report on time or pay taxes, the duty must be completed within 6 months after the end of the abolition of martial law.



1.8. Application of the Settlement Transaction Recorder (STR)

STR is applied/payment terminal has been applied since 2023 in settlements of more than 25 thsd people, and since 2024 - more than 5 thsd people.

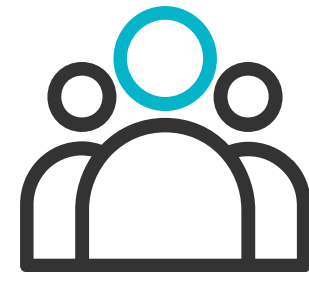


PERSONS CONDUCTING INDEPENDENT PROFESSIONAL ACTIVITIES



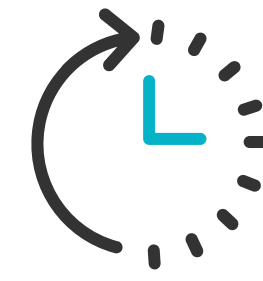
1.1. Basic taxes, payments, and their rates:

- personal income tax - **18%** of profit;
- military duty - **1.5%**;
- single contribution - **22%** of income but not less than the minimum size of the single contribution (**from January 1, 2024 - UAH 1562, from April 1, 2024 - UAH 1760**);
- value added tax - in case of exceeding **UAH 1 mln** of income for the last 12 months, or in the case of a voluntary registration;
- excise tax;
- property tax;
- etc.



1.2. Number of employees

No more than 4 people.



1.3. Activities

Participation of an individual in scientific, literary, artistic, educational or teaching activities, the activities of doctors, private notaries, private executors, lawyers, arbitration managers (property managers, rehabilitation managers, liquidators), auditors, accountants, appraisers, engineers or architects, persons engaged in religious (missionary) activities, other similar activities, provided that such persons are not employees or sole proprietors (except in the case provided in paragraph 65.9 of the Tax Code of Ukraine) and use hired labor (no more than 4 individuals).



1.4. Accounting

Accounting for income and expenses according to approved standard forms in paper or electronic form, including submitting through the E-cabinet.



PERSONS CONDUCTING INDEPENDENT PROFESSIONAL ACTIVITIES



1.5. Reporting*

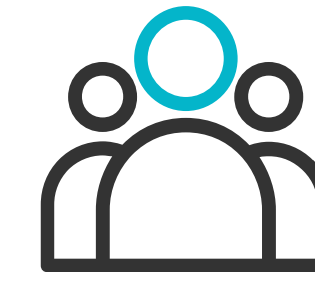
Deadline for submission of the Declaration of Property Status and Income for the reporting tax period of the year - every year until May 1.

* If it is impossible to submit the Declaration on time, such persons should submit it within 6 months after the end of the abolition of martial law.



1.6. Payment terms**:

- personal income tax, military duty - every year until August 1. If it is impossible to pay on time - the duty should be completed within 6 months after the end of the abolition of martial law;
- the deadline for the single contribution is by the 20th day of the month following the quarter. For the calendar year, after the end of the year, the deadline is until May 1, in the form of Appendix 1. Deadline is until the date of submission of Appendix 1. A person does not need to pay fees for themselves since March 1, 2022 until 12 months after the end of martial law. Absence of the payments will not affect the insurance experience.



1.7. If there are employees***

Reporting should be done during 40 calendar days after the end of the quarter. Payments (**personal income tax, military fee, single contribution**) should be paid monthly when paying income.

*** If it is impossible to submit a report on time or pay taxes, the duty should be completed within 6 months after the end of the abolition of martial law.



1.8. Application of the Settlement Transaction Recorder (STR)

Since 2023, settlements with over 25 thsd people and since 2024, settlements with over 5 thsd people have the right to not use STR payment terminals.

** Since March 1, 2022, a person has the right to refuse to pay a single contribution for themselves. If they choose not to pay, it will not affect their insurance experience. This exemption lasts for 12 months after the end of martial law.

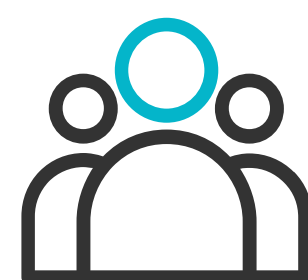


GROUP 1 OF THE SIMPLIFIED TAX SYSTEM



1.1. Revenue limit

167 minimum wages - **UAH 1 185 700.**



1.2. Number of employees

None.



1.3. Activities

Trade on the market, providing household services to the community.



1.4. Single tax rate

No more than **10%** of the subsistence minimum - no more than UAH 302.80.



1.5. Single contribution rate

22% of the minimum wage since January 1, 2024 - UAH 1562, and since April 1, 2024 - UAH 1760.



1.6. Accounting

Keeping records of income in any form, in paper or electronic form by monthly reporting of income.



GROUP 1 OF THE SIMPLIFIED TAX SYSTEM



1.7. Reporting

Annual Single Tax Declaration, which includes a single contribution report, should be submitted within 60 calendar days after the end of the year - until March 1. If a single tax and a single contribution for the period until August 2023 were not paid, then the Declaration for this period should not be filled. In case of inability to submit the Declaration on time the individual is obliged to submit it within 6 months after the end of the abolition of martial law.



1.8. Payment terms*:

- single tax should be paid no later than the 20th day of the current month or as the advance payment for the entire reporting period. Since April 1, 2022 until August 1, 2023 individuals were exempted from paying a single tax. However, since August 1, 2023 the obligation to pay a single tax was restored;
- single contribution should be paid by the 20th day of the month following the quarter.



1.9. Application of the Settlement Transaction Recorder (STR)

STR/payment terminals are not applicable.

* Since March 1, 2022, an individual entrepreneur has the right to refuse to pay a single contribution for themselves. If they choose not to pay, it will not affect their insurance experience. This exemption lasts for 12 months after the end of martial law.

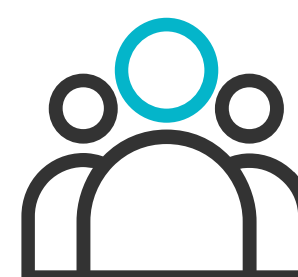


GROUP 2 OF THE SIMPLIFIED TAX SYSTEM



1.1. Revenue limit

834 minimum wages -
UAH 5 921 400.



1.2. Number of employees

No more than 10 people.



1.3. Activities

Production and sale of goods, activities in the field of restaurant business, and provision of services only to the population and single taxpayers **(except for the restrictions established by the paragraph 291.5 of the Tax Code of Ukraine).**



1.4. Single tax rate

No more than 20% of the minimum wage
(no more than UAH 1420).



1.5. Single contribution rate

22% of the minimum wage since January 1, 2024 - UAH 1562,
since April 1, 2024 - UAH 1760.



1.6. Accounting

Keeping records of income in any form, in paper or electronic form by monthly reporting of income. Keeping records of inventories under certain conditions.



GROUP 2 OF THE SIMPLIFIED TAX SYSTEM



1.7. Reporting

Annual Single Tax Declaration, which includes a single contribution report, should be submitted within 60 calendar days after the end of the year - until March 1. If a single tax and a single contribution for the period until August 2023 were not paid, then the Declaration for this period should be not filled. In case of inability to submit the Declaration on time the individual is obliged to submit it within 6 months after the end of the abolition of martial law.



1.8. Payment terms*:

- single tax should be paid no later than 20 days of the current month or as an advance payment for the entire reporting period. Since April 1, 2022 to August 1, 2023, single tax was not required to be paid. On August 1, 2023 the obligation to pay the single tax was restored;
- single contribution should be paid by the 20th day of the month following the quarter. Since March 1, 2022 an individual has the right to not pay any fees for themselves. If they choose not to pay, their insurance experience will not be charged, provided that they do so within 12 calendar months after the end of martial law.



1.9. Application of the Settlement Transaction Recorder (STR)

STR/payment terminal that has been used since 2023 in settlements of more than 25 thsd people, and since 2024 - more than 5 thsd people.

* Since March 1, 2022 an individual entrepreneur has the right to not pay any fees for themselves. If they choose not to pay, their insurance experience will not be charged, provided that they do so within 12 calendar months after the end of martial law.



GROUP 3 OF THE SIMPLIFIED TAX SYSTEM (3% + VAT)



1.1. Revenue limit

1167 minimum wages
UAH 8 285 700.



1.2. Number of employees

No restrictions.



1.3. Activities

Any, except restrictions established by the paragraph 291.5 of the Tax Code of Ukraine.



1.4. Single tax rate

3% of the income received + VAT.



1.5. Single contribution rate

22% of the minimum wage
since January 1, 2024 - UAH 1562,
and since April 1, 2024 - UAH 1760.



1.6. Accounting

Keeping records in any form by monthly reporting of income and expenses, and according to the standard form established by the Ministry of Finance of Ukraine. Keeping inventory records.



GROUP 3 OF THE SIMPLIFIED TAX SYSTEM



1.7. Reporting

Quarterly Declaration on a single tax, which includes a report on a single contribution should be prepared within 40 calendar days after the end of the quarter; monthly VAT Declaration within 20 calendar days after the end of the month. In case of impossibility to submit Declarations on time an individual is obliged to submit it within 6 months after the end of the abolition of martial law. Tax invoices (TI)/ adjustment calculations(AC) must be registered in the Unified Register of the Tax Invoices.



1.8. Payment terms*:

- single tax, VAT - within 10 calendar days following the deadline for submission of the Declarations;
- single contribution - by the 20th day of the month following the quarter.



1.9. If there are employees

Reporting during 40 calendar days after the end of the quarter. The payments (personal income tax, military fee, single contribution) should be paid on monthly basis when calculating income.



1.10. Application of the Settlement Transaction Recorder (STR)

STR/payment terminal that has been used since 2023 in settlements of more than 25 thsd people, since 2024 - more than 5 thsd people.

*Since March 1, 2022 an individual entrepreneur has the right to not pay any fees for themselves. If they choose not to pay, their insurance experience will not be charged, but this only applies for 12 calendar months after the end of martial law.

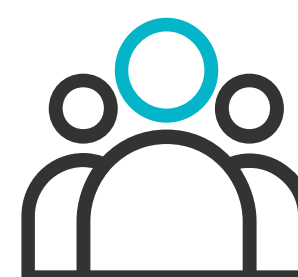


GROUP 3 OF THE SIMPLIFIED TAX SYSTEM (5%)



1.1. Revenue limit

1167 minimum wages
UAH 8 285 700.



1.2. Number of employees

No restrictions.



1.3. Activities

Any, except for restrictions established by paragraph 291.5 of the Tax Code of Ukraine.



1.4. Single tax rate

5% of the income received.



1.5. Single contribution rate

22% of the minimum wage since January 1, 2024 - UAH 1562, and since April 1, 2024 - UAH 1760.



1.6. Accounting

Keeping records in any form by monthly reporting of income and expenses and according to the standard form established by the Ministry of Finance of Ukraine. Keeping inventory records under certain conditions.



GROUP 3 OF THE SIMPLIFIED TAX SYSTEM (5%)



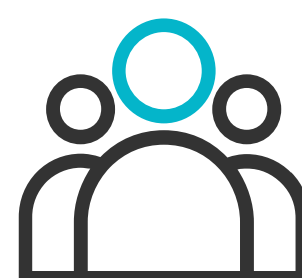
1.7. Reporting

Quarterly Declaration on a single tax, which includes a report on a single contribution should be prepared within 40 calendar days after the end of the quarter. In case of impossibility to submit Declarations on time an individual is obliged to submit it within 6 months after the end of the abolition of martial law.



1.8. Payment terms*:

- single tax - within 10 calendar days following the deadline for submission Declarations;
- single contribution- by the 20th day of the month following the quarter.



1.9. If there are employees

Reporting during 40 calendar days after the end of the quarter. The payments (personal income tax, military fee, single contribution) should be paid on a monthly basis when calculating income. In case of impossibility to submit a report on time, an individual is obliged to submit it within 6 months after the end of the abolition of the martial law.



1.10. Application of the Settlement Transaction Recorder (STR)

STR/payment terminal that has been used since 2023 in settlements of more than 25 thsd people, since 2024 - more than 5 thsd people.

*Since March 1, 2022 an individual entrepreneur has the right to not pay any fees for themselves. If they choose not to pay, their insurance experience will not be charged, but this only applies for 12 calendar months after the end of martial law.



* 291.5. THE SIMPLIFIED TAX SYSTEM'S FIRST TO THIRD GROUPS CANNOT BE USED BY CERTAIN TAXPAYERS:

291.5.1. business entities (legal entities and individuals - entrepreneurs) that carry out:

- 1) activities in the field of organization and conduct of gambling, activities for the production and conduct of lotteries;
- 2) exchange of foreign currency;
- 3) production, export, import, sale of excisable goods (except for the retail sale of fuels and lubricants in containers up to 20 liters and the activities of individuals related to the retail sale of beer, cider, perry (without adding alcohol) and table wines);
- 4) extraction, production, sale of precious metals and precious stones, including organogenic formation (except for production, supply, sale of jewelry and household products from precious metals, precious stones, in particular of organogenic formation, and semi-precious stones);
- 5) extraction, sale of minerals, except for the sale of minerals of local importance;
- 6) activities in the field of financial intermediation, except for activities in the field of insurance carried out by insurance agents defined by the Law of Ukraine "On Insurance" surveyors, emergency commissioners and adjusters defined by section III of this Code;
- 7) enterprise management activities;
- 8) activities for the provision of postal services (except for courier activities), activities for the provision of fixed telephone services with the right to maintain and operate telecommunication networks and the provision of telecommunication channels for use (local, long-distance, international), activities for the provision of fixed telephone services using wireless access to the telecommunication network with the right of maintenance and provision of telecommunication channels for use (local, long-distance, international), activities for the provision of mobile (mobile) telephone services with the right to maintain and operate telecommunication networks and the provision of telecommunication channels for use, activities for the provision of maintenance and operation of telecommunication networks, terrestrial television and radio broadcasting networks, wired broadcasting and television networks;
- 9) activities for the sale of art and antiques, activities for the organization of tenders (auctions) with works of art, collectibles, or antiques;
- 10) activities to organize, conduct tour events;

291.5.2. individuals - entrepreneurs who carry out technical tests and research (group 74.3 of the Classification of the types of economic activities 009:2005), activities in the field of audit;

291.5.3. individuals - entrepreneurs who lease land plots whose total area exceeds 0.2 hectares, residential premises and/or their parts whose total area exceeds 400 square meters, non-residential premises (buildings, buildings) and/or their parts whose total area exceeds 900 square meters;

291.5.4. insurance (reinsurance) brokers, banks, credit unions, pawnshops, leasing companies, trust companies, insurance companies, funded pension institutions, investment funds and companies, other financial institutions defined by law; securities registrars;

291.5.5. business entities in whose authorized capital the aggregate of shares owned by legal entities that are not payers of a single tax is equal to or exceeds 25%;

291.5.6. representative offices, branches and other separate subdivisions of a legal entity that is not a single taxpayer;

291.5.7. individuals and legal entities - non-residents;

291.5.8. taxpayers who, on the day of filing an application for registration as a single taxpayer, have a tax debt, except for a hopeless tax debt that arose as a result of force majeure.

Ukraine Invest

YOUR INVESTMENT MATTERS



Cabinet of Ministers of Ukraine
12/2 Hrushevskoho St.,
Kyiv, Ukraine 01008



+38 098 567 8899



info@ukraineinvest.gov.ua
ukraineinvest.gov.ua