

Ukraine Invest

YOUR INVESTMENT MATTERS



GUIDE

INVEST TO THE BIOENERGY IN UKRAINE:

REBUILD INCENTIVES

ALTERNATIVE TYPES OF FUEL



Alternative types of fuel¹ – solid, liquid, and gas fuels that are an alternative to traditional fuels and are produced (extracted) from non-traditional sources and types of energy raw materials

Gas fuel

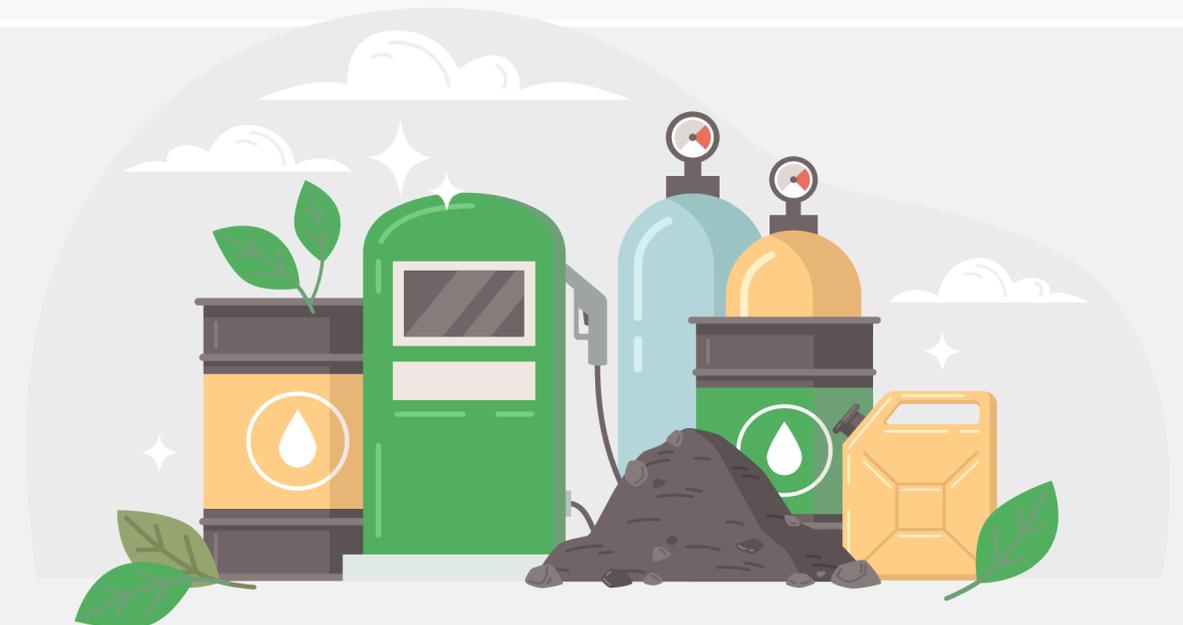
- gas (methane) from coal deposits;
- gas obtained during underground gasification and underground combustion of coal seams;
- gas obtained during the processing of solid fuel (hard and brown coal, oil shale, peat), natural bitumen, heavy oil;
- gas contained in aquifers of oil and gas bearing basins with abnormally high reservoir pressure, in other underground gas-saturated waters as well as in gas-saturated reservoirs and swamps.

Solid fuel

- products and wastes of agriculture (crop and livestock production), forestry and industries technologically related to them;
- pellets, briquettes, charcoal and coal substance produced from these products and wastes used as fuel;
- organic part of industrial and household wastes as well as pellets and briquettes produced from them;
- peat, as well as pellets and briquettes produced from it.

Liquid fuel

- combustible liquids obtained during the processing of solid types of fuel (coal, peat, shale);
- alcohols (bioethanol, biobutanol) and synthetic products obtained on their basis, oils, other types of liquid fuel etc.



¹ In accordance with Articles 1, 4, 5, 5¹ of the Law of Ukraine "On Alternative Types of Fuel"



BIOMETHANE



Since March 2024, the Customs Code of Ukraine has been amended¹ to regulate the customs clearance procedure for biomethane export:

- customs control and clearance of biomethane is carried out according to the same rules as for natural gas;
- biomethane volumes are replaced by natural gas volumes or a mixture of both;
- information about the producer should be entered in the biomethane register;
- exports are possible only if a certificate of compliance with the sustainability of biomethane is available.



Development of a new production sector in the energy sector

Increasing export potential of Ukraine

Attracting international investment in the development of the energy sector

Restoration of Ukrainian regions using advanced technologies

¹ The Law of Ukraine "On Amendments to the Customs Code of Ukraine and Other Laws of Ukraine on the Peculiarities of Customs Control and Customs clearance of certain categories of goods" of 20.03.2024 No. 3613-IX

FIRST EXPORT OF UKRAINIAN BIOMETHANE ABROAD



On February 06, 2025, the Energy Customs¹ issued the first declaration for the export of biomethane to Europe from Ukraine via the gas transportation system.



Biomethane is an environmentally friendly fuel that can replace natural gas and reduce CO₂ emissions.



Pipeline exports of biomethane open up prospects for a stable supply of environmentally friendly fuel to Europe.



New opportunities for the agricultural sector and bioenergy investors.



¹ According to the announcement of the Energy Customs dated 07.02.2025

INVESTMENT INCENTIVES FOR BIOGAS AND BIOMETHANE PRODUCTION



up to 30%
of CAPEX¹



Guide: State support for investment projects with significant investments

The Law of Ukraine “On State Support for Investment Projects with Significant Investments in Ukraine” provides for the possibility for investors to receive benefits and compensation for investment projects implemented in Ukraine in the field of biogas and biomethane production

FORMS OF STATE SUPPORT



CIT exemption
(for any 5 subsequent years within the validity period of the SIA)



Exemption from VAT
for importing new equipment and components to it²



Exemption from import duties** for new equipment and components to it²



Construction/compensation for built engineering and transport infrastructure



Lease of **state or communal land plots without land auctions**



Compensation for costs of connection to engineering and transport infrastructure



Land tax exemption/reduced land tax rates



Exemption from compensation for losses of forestry production

¹ The amount of tax exemptions and compensation may not exceed 30% of the total capital investments of the project

² The list and quantity of equipment is approved by the Cabinet of Ministers of Ukraine for each project.

CUSTOMS AND TAX EXEMPTIONS



The following technical and transport vehicles, including self-propelled agricultural machinery **running on biofuels, are exempt¹ from customs duty** when imported into or exported from the customs territory of Ukraine, if such goods are not produced in Ukraine, according to the following² codes under UCT ZED³:

UCT ZED CODES

8701	Tractors (other than tractors of heading 8709)
8702	Motor vehicles for the transport of ten or more persons, including the driver
8704	Motor vehicles for the transport of goods
8705	Special purpose motor vehicles, other than those principally designed for the transport of persons or goods (for example, breakdown lorries, crane lorries, fire fighting vehicles, concretemixer lorries, road sweeper lorries, spraying lorries, mobile workshops, mobile radiological units).
8709	Works trucks, self-propelled, not fitted with lifting or handling equipment, of the type used in factories, warehouses, dock areas or airports for short distance transport of goods; tractors of the type used on railway station platforms; parts of the foregoing vehicles.



¹ In accordance with subparagraph 17 of paragraph 1 of Article 282 of Section IX of the Customs Code of Ukraine

² Article 7 of the Law of Ukraine "On Alternative Fuels"

³ Ukrainian classification of goods of foreign economic activity (UCT ZED) is made on the basis of the Harmonized System (HS) of the World Customs Organization, considering the Combined Nomenclature of the European Union

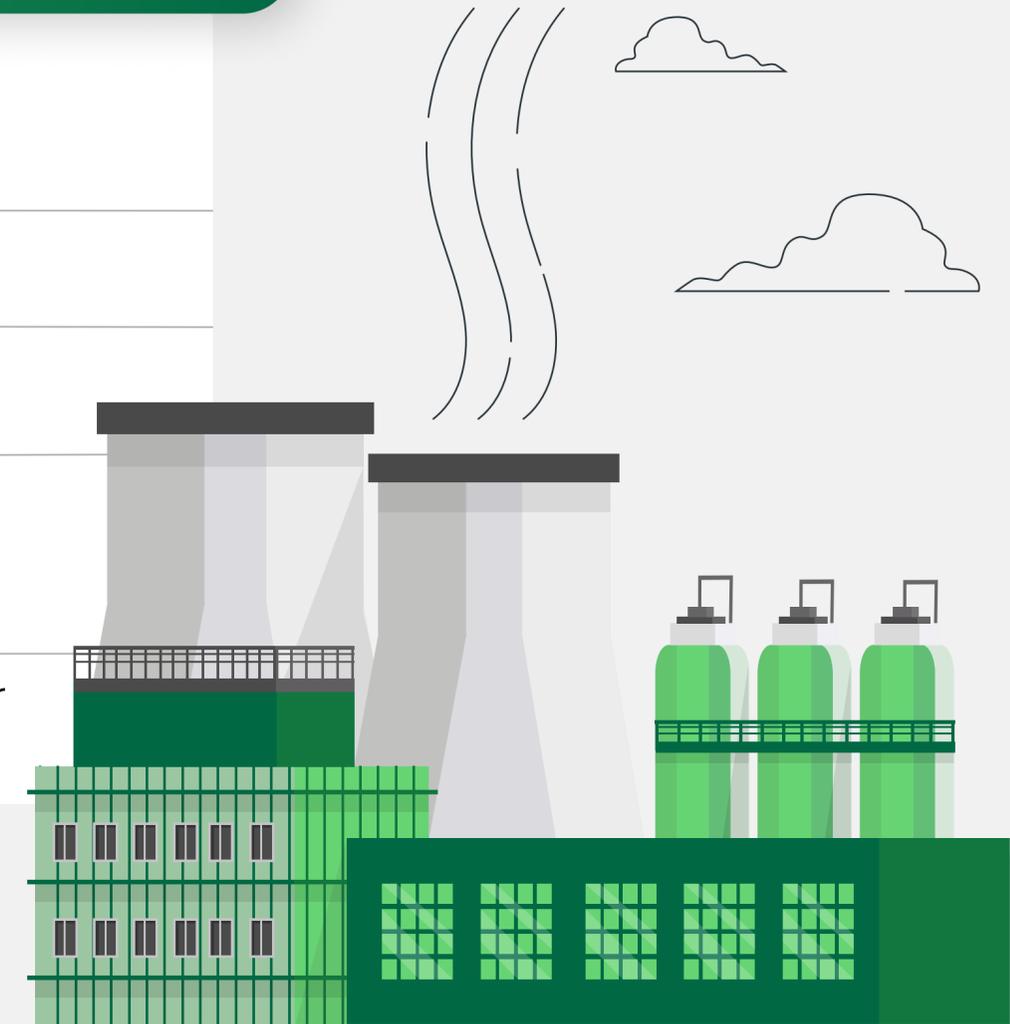
CUSTOMS AND TAX EXEMPTIONS



 The goods specified in the list of codes in accordance with the UCT ZED, that is determined by the Cabinet of Ministers of Ukraine, **are exempt¹ from import duty and VAT** during importation for the period of martial law in Ukraine, but no later than **01.01.2026**, within the framework of **agreements financed by the Energy Community Secretariat**

UCT ZED CODES

- | | |
|-------------|--|
| 8405 | Producer gas or water gas generators, with or without their purifiers; acetylene gas generators and similar water process gas generators, with or without their purifiers. |
| 8406 | Steam turbines and other vapour turbines. |
| 8413 | Pumps for liquids, whether or not fitted with a measuring device; liquid elevators |
| 8416 | Furnace burners for liquid fuel, for pulverised solid fuel or for gas; mechanical stokers, including their mechanical grates, mechanical ash dischargers and similar appliances. |
| 8418 | Refrigerators, freezers and other refrigerating or freezing equipment, electric or other; heat pumps other than air conditioning machines of heading 84.15. |



¹ In accordance with clause 9³⁷ of Section XXI "Final and Transitional Provisions" of the Customs Code of Ukraine and Clause 88¹ of subsection 2 of Section XX "Transitional Provisions" of the Tax Code of Ukraine

² Ukrainian classification of goods of foreign economic activity (UCT ZED) is made on the basis of the Harmonized System (HS) of the World Customs Organization, considering the Combined Nomenclature of the European Union

UKRAINEINVEST SERVICES



support in partner search and location selection



establishment of cooperation with state and local authorities



resolving business-related problematic issues



consulting on conducting business in Ukraine



participation in negotiations with stakeholders to obtain grants/loan financing

FREE OF CHARGE ASSISTANCE



12 Muzeinyi Lane,
Kyiv, Ukraine, 01008



+38 (044) 256 7832
+38 (098) 567 8899

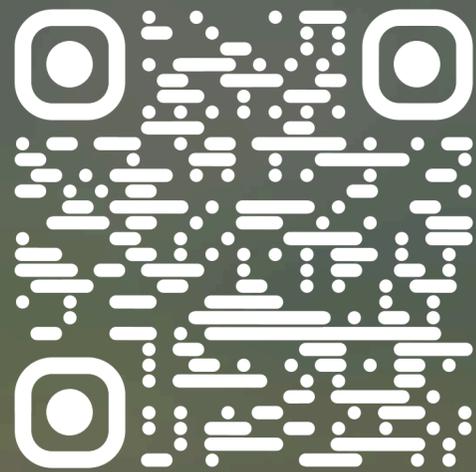


info@ukraineinvest.gov.ua



www.ukraineinvest.gov.ua





UKRAINEINVEST
GUIDE

UKRAINEINVEST: REBUILD UKRAINE

☎ +38 098 567 88 99

✉ INFO@UKRAINEINVEST.GOV.UA

🌐 WWW.UKRAINEINVEST.GOV.UA/EN

📍 12 MUZEINYI LANE,
KYIV, UKRAINE, 01008