



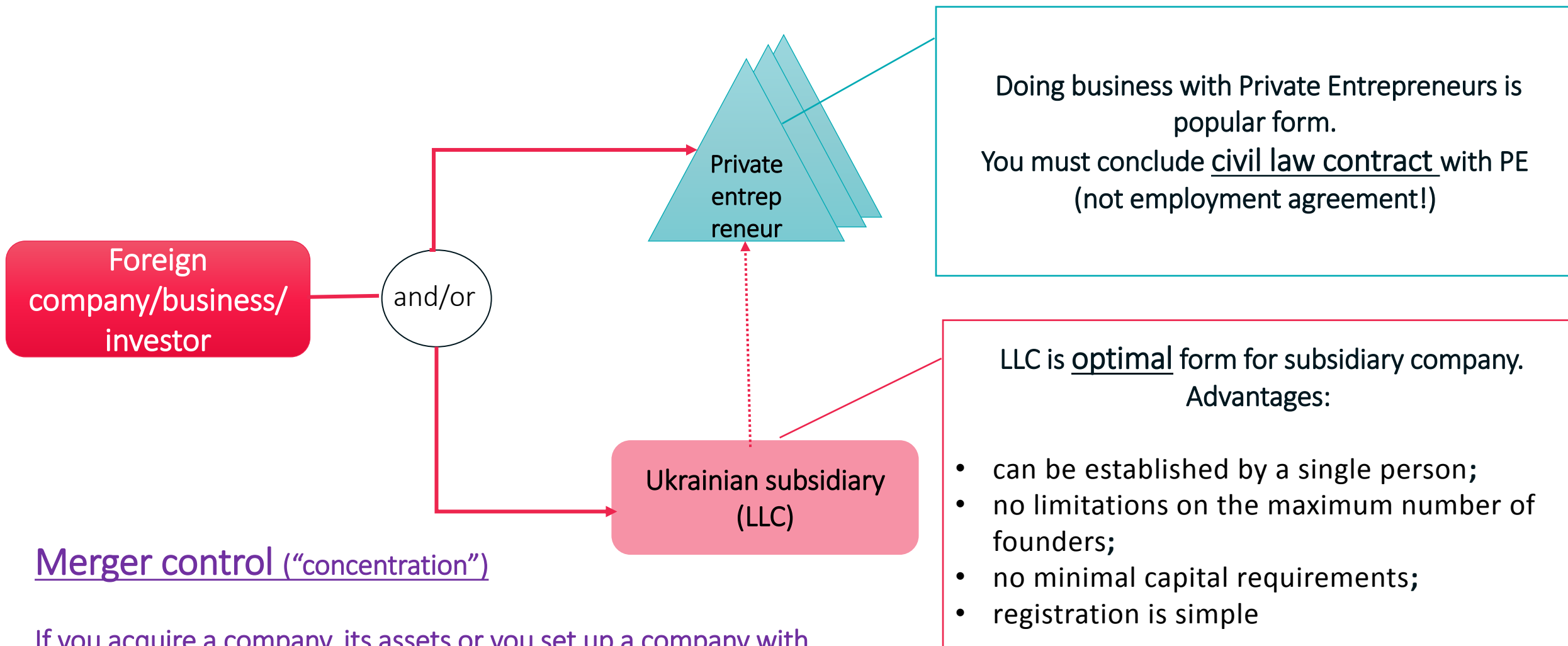
IT regulations in Ukraine

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BUSINESS FORMS



Merger control (“concentration”)

If you acquire a company, its assets or you set up a company with others, you may need to obtain a merger clearance.

TAXATION

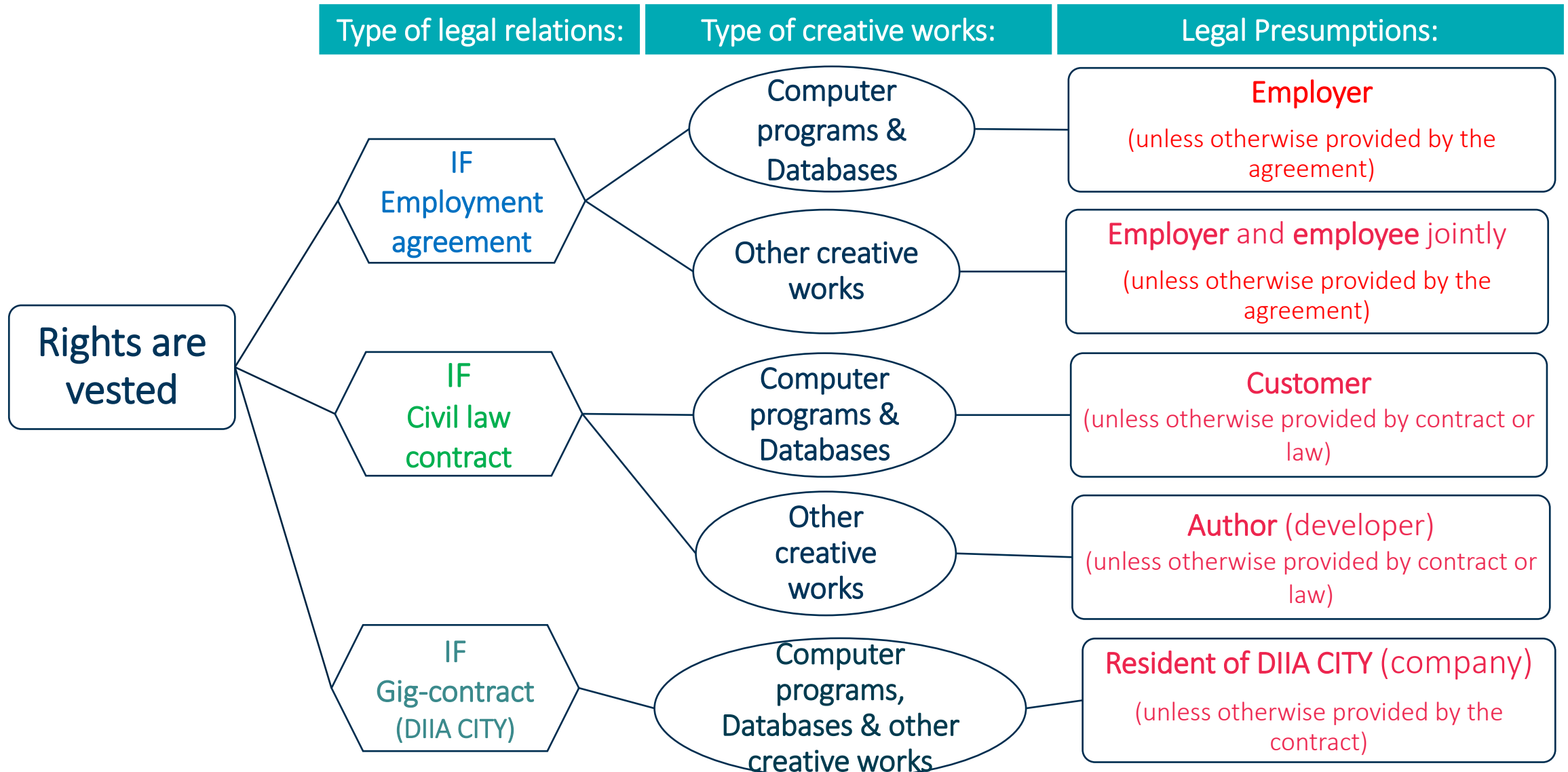
Company may use:

Common Tax System:	Simplified Tax System: (subject to certain conditions)
Corporate income tax Tax rate – 18% on taxable income	Simple tax Tax rate – 5% on gross profit

Developer (Company) may use:

Developers as employees:	Developers as private entrepreneurs:
Personal Income Tax - 18% on wages (taxpayer: employee; employer: tax agent)	Simple tax - 5% on total profit (private entrepreneur: taxpayer)
Military Tax – 1.5% on wages (taxpayer - employee; employer - tax agent)	N/A
Social Insurance Contribution – 22% of the wage; But subject to the maximum monthly amount: (22% x 15 x 6 000 UAH [<i>Minimum Monthly Salary</i>] = 19 800 UAH per month) (taxpayer: employer)	Social Insurance Contribution – 22% of minimum monthly salary : (22% x 6 000 UAH = 1 320 UAH per month) (taxpayer: private entrepreneur)

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ACTIVITIES SUBJECT TO LICENSING

There is **no** general **regulation** of IT sector in Ukraine
Mostly, IT-related activities are **not** subject to **licences**
But, some IT-related activities are subject to **licences**:

➤ supplying “GAMBLING SOFTWARE”

➤ Some activities related to “TECHNICAL & CRYPTOGRAPHIC PROTECTION”

- Preparation of construction and other technical documentation related to cryptosystems and means of cryptographic protection of information ;
- Production of cryptosystems and means of cryptographic protection of information;
- Supply, installation, maintenance or disposal of cryptosystems and means for cryptographic protection of information;
- Expert research of cryptosystems and means of cryptographic protection of information

DIIA CITY



DIIA CITY is special legal framework aiming to create favorable conditions, including beneficial tax regime for tech industry

city.diia.gov.ua/en

Diia City

About Activities in Diia City Entry criteria Preferences Goals Road map Media center Documents Team English

What do Diia City residents get?

- 01** Special taxation framework
[Learn more →](#)
- 02** Special employment conditions
[Learn more →](#)
- 03** IP protection guarantees
[Learn more →](#)
- 04** Foreign venture capital investment
[Learn more →](#)
- 05** Guarantees of protection of persons and property against the undue intervention of government security officials
[Learn more →](#)

- Software development and testing, including games
- Publishing and distribution of software, including SaaS
- Teaching computer literacy, programming, testing, software technical support
- Digital marketing and ads using software developed by residents
- R&D in IT and Telecom
- Cybersport
- Providing services related to the virtual assets flow
- Cybersecurity
- Robotics

DATA PROTECTION IN UKRAINE

Current Legislation

Basically compliant with GDPR. Consent as the basis for data processing.

Enforcement and liability are lagging behind.

DPO – Human Rights Ombudsman of Ukraine

No localization requirement, transfer can be done both locally and cross-border

New Law Bill “On Data Protection”

Compliant with GDPR and Convention 108+.

Enforcement and liability are strengthened

Powers of DPO are detailed and extended.

Rules for transfer of personal data to other states or international organizations are detailed and specified.

Automatized data processing (incl. electronic communications) is regulated.

CRYPTO REGULATION IN UKRAINE

Legal framework: National Economic Strategy for the Period up to 2030, the AML Law, the Law of Ukraine “On Virtual Assets” (adopted by the parliament in the second reading).

Virtual Assets: intangible property; transactions allowed (object of civil rights), not a mean of payment. Unsecured (e.g. cryptocurrency) and secured (including financial virtual assets).

Virtual Assets Services Providers: crypto exchanges, crypto wallets, crypto exchangers.

Permits and licenses: permit – the Ministry of Digital Transformation; license – the National Bank of Ukraine or the National Securities and Stock Market Commission of Ukraine.



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