

## Ukraine

*(last update 2012)*

Taxation of income derived by an individual who conducts independent professional activity is regulated by Art. 178 Sec. IV of the Tax Code of Ukraine of 02.12.2010 № 2755-VI (hereinafter - TCU). Persons who intend to exercise independent professional activity must be registered with the state tax service at their place of residence as a self-employed person and receive a certificate of registration in accordance with Art. 65 TCU.

Incomes received during the calendar year from the proceedings of independent professional activities are taxed at the rates specified in paragraph 167.1st. 167 TCU. Taxable income is total net income, the difference between income and documented expenses necessary for conducting certain types of independent professional.

In case of non-receipt of the certificate by the person who conducts an independent professional activity, is subject to tax income derived from such activities without regard to cost.

Individuals who carry out independent professional activity, submit a tax return for the results reported in accordance with this section within the period provided for taxable personal income.

Foreigners and stateless persons who were registered in the state tax service as a self-employed person who is resident in the annual tax return along with the proceeds from the proceedings independent professional should stipulate other income originating from Ukraine and foreign income.

While paying entities - tax agents, individuals who carry out independent professional activity, revenues are directly related to such activities, income tax at source payments are not kept in case of such an individual copy of the certificate of taking it on tax consequences of a natural person who conducts an independent professional activities. This rule does not apply in the case of charge (fee) income for the performance of certain work and / or providing services under civil contracts, relationships which set labor relations and the parties to the contract may be treated as an employee or employer in accordance with paragraphs. 14.1.195 and 14.1.222 14.1 cent. 14 TCU.

Individuals who carry out independent professional activities required to keep records of income and expenses from these activities. The form of

such records and the order of reference determined by the central authority of the State Tax Service. Final payment of tax on personal income tax for the reporting year is taxable independently according to the data indicated in the tax return.