



Human Capital News

Contacts at Ernst & Young:

Olga Gorbanovskaya
Tel: +380 (44) 490 3022
Olga.Gorbanovskaya@ua.ey.com

Olena Boichenko
Tel: +380 (44) 499 2404
Olena.Boichenko@ua.ey.com

Oksana Lapii
Tel: +380 (44) 492 8233
Oksana.Lapii@ua.ey.com

Contents

- ▶ State Tax Service of Ukraine pronounced its position regarding taxation of income in the form of housing rented by employer and provided to its employees

A new clarification regarding taxation of income in the form of housing rented by an employer and provided to its employees became available in the Single Tax Knowledge Database. The tax authorities clarified that in case a legal entity rents accommodation for its employee and pays rental costs to the landlord; such income is considered as additional benefit for such employees and is subject to personal income tax.

Predictably, the tax authorities stick to a fiscal approach in this current ambiguous situation, though their treatment of the Tax Code's rules provisions remains not completely clear. Given this, as of now there is an open question regarding taxation of an accommodation owned by the employer and provided for employee's usage free of charge under condition, that such provision is related to the taxpayer's fulfillment of his/her labor functions, is prescribed by the employment agreement (contract) and/or a collective bargaining agreement or is required by the law with the establish limits.

We will continue monitoring changes in legislation and official clarifications from the tax authorities regarding personal income tax issues and will keep you updated accordingly.

Ernst & Young

Assurance | Tax | Transactions | Advisory

About Ernst & Young

Ernst & Young is a global leader in assurance, tax, transaction and advisory services. Worldwide, our 152,000 people are united by our shared values and an unwavering commitment to quality. We make a difference by helping our people, our clients and our wider communities achieve their potential.

Ernst & Young expands its services and resources in accordance with clients' needs throughout the CIS. 4000 professionals work at 18 offices in Moscow, St. Petersburg, Novosibirsk, Ekaterinburg, Kazan, Krasnodar, Togliatti, Yuzhno-Sakhalinsk, Almaty, Astana, Atyrau, Baku, Kyiv, Donetsk, Tashkent, Tbilisi, Yerevan, and Minsk.

Ernst & Young established its practice in Ukraine in 1991. Ernst & Young Ukraine now employs more than 500 professionals providing a full range of services to a number of multinational corporations and Ukrainian enterprises.

For more information, please visit www.ey.com/ua.

Contacts

Kyiv
+380 (44) 490 3000

The information contained in this publication is for general guidance only. You should neither act, nor refrain from acting, on the basis of such information. The application of laws and regulations will vary depending on particular circumstances and may also undergo frequent change. You should take appropriate professional advice relating to your particular circumstances and the current status of the laws and regulations. Ernst & Young disclaims all responsibility, including negligence, for all consequences of any person acting on, or refraining from acting in reliance on, information contained in this publication.