**Task for self control**

**1)Research and outline the types of taxes applicable to an LLC in Ukraine.**

**Taxation of LLC**

| **Tax name** | **Percent rate** |
| --- | --- |
| VAT | 20%  (was increased to 23% for some groups of products) |
| Tax for income | < 5 m UAH- 15%  > 5 m - 16%  (for personal entrepreneurs)  for LLC - 18% |
| Land tax | 1-5% |
| Tax for advertisements | 5% (Kharkiv) |
| Market fee | 1st group of taxation - 10% |
| Single social contribution | 22% |

Taxation of entrepreneurs

(3 group)

| Unified Tax: | 5% |
| --- | --- |
| Single Social Contribution (SSC): | 22% of minimum wage - 6700 UAH |
| Tax on personal income | 18% |
| Military Fee: | 1.5% (possible) |

Identify potential compliance risks related to taxation and financial reporting

Exceeding the annual income limit: 15% of the Uniform tax (for the entrepreneurs)

Late tax payment: 10% (up to 30 calendar days) and 20% (over 30 calendar days)

The fine for failure to pay the single tax is UAH 134.20 for the 1st group and UAH 670 for the 2nd group.

**2) Identify potential compliance risks related to taxation and financial reporting.**

**LLC:**

fines for failure to submit tax returns - 1700 UAH

penalties for underestimating tax liabilities, selected as a result of an audit by the tax authority - 10%

penalties as a result of the detection of arithmetic or methodological errors in the submitted tax declaration - 25% from tax

fines in the event that the assessment of the tax liability is entrusted to the tax authority - 25% from tax

penalties for non-payment or late payment of tax obligations;

How to prevent:  
Stay informed of dates and terms

Track deadlines

Use professional help (consultations)

Have another person to control and count your taxes (accountant)

Efficient Reporting Processes

**Conclusion:**

With the help of this workshop we can now define and outline the types of taxes applicable to the LLC in the Ukraine. We have also done a lot of comparison to the simple entrepreneur tax system. Seeing the main risks, we can clarify, that LLC is a safest way to open a company nowaday, according to all the risks other types of taxed business have.