

28 July 2016

## Newsletter

# Tax & Legal Newsletter

## Tax Disputes Resolution

### Launch of criminal investigation in tax evasion cases will be postponed until negative court ruling

On 18 July 2016, the State Fiscal Service of Ukraine by its order No. 633 has changed its guidelines for transferring the tax audits' results to tax investigators, as adopted by order No. 22 of 31 July 2014.

From now on, the tax authorities should send the tax audit's results to the investigators for initiating criminal proceedings within 20 business days after the tax assessment issued as a result of a tax audit is considered to be final.

This means that if a taxpayer appeals against the tax assessment, criminal proceeding can only be initiated **after a negative decision of the court of appeal takes effect.**

The previous version of the methodological guidelines provided for transferring the materials to the investigators earlier, upon completion of the administrative appeal procedure.

In practice, however, the tax authorities tended to transfer the materials to the investigation department upon serving the tax assessment, without waiting for the results of the administrative procedure.

This change is a positive development that should hopefully decrease the number of arbitrary criminal proceedings that used to be routinely initiated without considering the merits of the case, merely based on the volume criterion.

\*\*\*

We continue monitoring changes to tax legislation regarding tax disputes, and will keep you posted.

#### Contacts at EY

Vladimir Kotenko  
+380 (44) 490 3006  
[Vladimir.Kotenko@ua.ey.com](mailto:Vladimir.Kotenko@ua.ey.com)

Iryna Kalyta  
+380 (44) 499 2420  
[Iryna.Kalyta@ua.ey.com](mailto:Iryna.Kalyta@ua.ey.com)

**EY | Assurance | Tax | Transactions | Advisory**

**About EY**

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY works together with companies across the CIS and assists them in realizing their business goals. 4,500 professionals work at 20 CIS offices (in Moscow, St. Petersburg, Novosibirsk, Ekaterinburg, Kazan, Krasnodar, Togliatti, Vladivostok, Yuzhno-Sakhalinsk, Rostov-on-Don, Almaty, Astana, Atyrau, Bishkek, Baku, Kyiv, Tashkent, Tbilisi, Yerevan, and Minsk).

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit [ey.com](http://ey.com).

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, or other professional advice. Please refer to your advisors for specific advice.

© 2016 Ernst & Young LLC

All Rights Reserved.

**Contacts**  
**Kyiv**  
**+380 (44) 490 3000**