
Ukraine

International Estate Planning Guide

IBA Private Client Tax Committee

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I. Wills and disability planning documents

A. Wills under Ukrainian legislation

Only individuals with full legal capacity are entitled to make a will. The right of the testator is exercised personally. A will must be made freely in written form and signed by the testator. Making a will through a representative is not permitted under the Civil Code of Ukraine.

If a person, by virtue of an illness, physical disability or any other reason is incapable of signing their will in person, it can be signed by another person as long as it is witnessed by the notary and the testator. An heir cannot be a signatory of such a will.

The testator may appoint one or several heirs, as well as an alternate heir irrespective of any family relations (even a legal entity can be appointed as an heir). At the same time, the forced heirship regime applies if the heirs identified meet certain conditions, as outlined below.

The testator may also divest any of the legal heirs of the right to inherit. Nevertheless, in situations where the death of the person divested occurs before the testator's death, the divestment of the right to inherit is lost. Thus, the children of such a divested person have the right to succession based on common grounds.

The general requirements concerning the form of a will as set out in the Civil Code are as follows:

- a will must be issued in writing, and must specify the date and place of issuance;
- a will must be signed personally by the testator or as explained above, in exceptional circumstances, by another person; and
- a will must be verified by a notary or other authorities, provided by the law.

Thus, the following wills are deemed notarised if attested in the presence of, at least, two witnesses:

- wills drawn up by people undergoing treatment in a hospital or any other institution providing medical care, , which are attested by the chief doctor, their deputies for medical matters or doctors on duty;
- wills drawn up by people sailing seagoing vessels or ships in internal waters under the flag of Ukraine, which are attested by the master of the ship;
- wills drawn up by the participants of an expedition, attested by the head of the expedition;
- wills made by soldiers, which are attested by the commander of the applicable unit, formation or institution and military school;
- wills made by people who are imprisoned or under arrest, attested by the head of the respective institution; and
- wills attested by local governmental authorities if the will is not private and if there is no notary in the respective locality (in this particular situation witnesses are not required).

Violation of the abovementioned requirements leads to the nullity of the will.

A duly verified will has to be registered in the Inheritance Register.

The Civil Code envisages several types of wills, as detailed below.

Conditioned will

The testator may place certain conditions on the right to inherit related to the heir's actions. Such conditions should not be unlawful or contradict moral principles. The conditions specified in the will shall exist at the time the inheritance process begins in order for the heir to inherit the respective estate.

Will with testamentary renunciation (legacy)

The testator may impose on the heir an obligation to provide a respective person (the legatee) with certain property or proprietary rights regardless of whether such property or proprietary rights are included in the estate. However, the heir's obligations under testamentary renunciation are limited to the amount of inherited property subject to deductions to cover the testator's debts.

Will with testamentary burden

The testator may oblige the heir to perform specific non-material actions (eg, the disposal of personal papers, ensure that a special place is chosen and/or a form of burial ritual, inform somebody of something).

Will with servitude

The testator may establish a servitude over the land plot, other natural resources or other immovable property for the benefit of a particular person.

Private will

The notary verifies a private will without being acquainted with its contents. The will must be passed to the notary in a sealed envelope with the testator's signature on it.

Joint will of spouses

Spouses may issue a will with respect to a jointly owned estate. After the death one of the spouses, his/her estate is transferred to the other spouse. In the event of the death of the other spouse, the right to inherit passes to the persons specified by the spouses in their joint will.

The property of a person may be also inherited through an inheritance agreement. According to the terms of such an agreement, one party (the heir) undertakes to fulfil certain instructions outlined by the other party (the testator) and, in the event of the death of the latter, his/her property is passed to the former.

The subject of an inheritance agreement may also be property owned by the spouses in regard to the right of joint ownership.

The testator is entitled to oblige the party(ies) to the agreement to perform proprietary and non-proprietary actions. The inheritance agreement must be concluded in written form before a notary and registered in the Inheritance Register.

B. Enforceability of foreign wills

Foreign wills are generally enforceable and recognised in Ukraine. If an heir wants to rely on a foreign will, that will should be recorded in the Inheritance Register of Ukraine.

Generally, cross-border inheritance typically causes conflict of laws to arise. In this regard, the ability of the testator to make or revoke a will, as well as the form of the will, are governed by the law of the country in which the deceased had his/her place of permanent residence at the time of issuing a will or at the time of their death.

In addition, Ukraine has either entered into a number of bilateral agreements with other countries (Lithuania, Latvia, Mongolia, Poland, Moldova, Georgia, Estonia, China, North Macedonia, Turkey,

Czechia, Hungary, Greece, Bulgaria, Cyprus, Libya, the United Arab Emirates and India), which govern various issues relating to cross-border inheritance.

Ukraine was a party to the 1993 Minsk Convention, which applies between most of the former Soviet republics. However, as of 29 December 2023, the 1993 Minsk Convention and the Protocol, thereto, of 1997 have ceased to apply in Ukraine. Legal cooperation in civil matters with the post-Soviet Republic is now carried out on the basis of Ukraine's bilateral international treaties with the respective states (where such treaties exist and cover inheritance matters), as well as multilateral international legal instruments in force within the framework of the Council of Europe, the United Nations and the Hague Conference on Private International Law that are applicable to Ukraine's relationship with the respective states.

Ukraine is also a party to the Convention on the Establishment of a Scheme of Registration of Wills. For the purposes of the Registration of Wills Convention, each contracting state is responsible for registration, as outlined in the Convention. Thus, a testator can register his/her will with the competent authorities not only in Ukraine, but also in other contracting states that are party to the Registration of Wills Convention. The Ministry of Justice of Ukraine, as well as competent authorities in other contracting states that are party to the Registration of Wills Convention, facilitate international cooperation in order to ensure the registration of relevant foreign wills and contracts of inheritance, as well as the exchange of the information with interested parties.

II. Estate administration

A. Overview of administrative procedures

Under Ukrainian law, the responsibility of administering estates of the deceased may be given to the executor, who is usually appointed by the will-maker.

An executor can be a natural person with full civil capacity or a legal person. The position of the executor is voluntary, and any person may be appointed as an executor, including an heir if there is more than one heir.

In instances where no executor is appointed by the will-maker, the person appointed refuses to fulfil the steps provided in the will or the person has been removed from executing the will, a notary can appoint a will executor. Alternatively, in similar circumstances, the heirs have the right to choose the person who will act as the executor from among the heirs or appoint another person as the will executor. If the heirs cannot reach an agreement regarding the person who should be appointed as the executor of the will, the latter may be appointed by a court. A newly appointed executor should agree to perform the functions delegated to them.

The functions of the executor are as follows:

- they are the guardian of the inheritance estate;
- they must inform the heirs, the legatees and creditors regarding the opening of the inheritance;
- they must deal with the testator's debtors;
- they are required to manage the inheritance until its full acceptance by the heirs;
- they are required to ensure receipt of the due part of the estate by each of the heirs under the will, as well as under the forced heirship regime; and
- they are required to ensure the performance of actions set as conditions in the will.

The certificate confirming the powers of the will executor is issued by the notary who oversees the succession. The notary who manages the succession takes measures to protect the inheritance estate as a result of his/her own initiative or in response to an application made by the heirs. The necessary protective measures can only be taken after receiving documents confirming the death of the testator, as well as the time and place of the opening of the inheritance, but no later than the next day after the date of the receipt of such documents.

The notary also prepares a list (an inventory) of the inheritance estate and transfers the listed property to the heirs or other persons. An inventory, which is a mandatory part of the process, is carried out with the participation of any interested persons and the will executor (if he/she was appointed in the will).

As a next step, the notary appoints a guardian of the estate from the list of heirs. Alternatively, a guardian can be any third party proposed by the heirs. If there is a will executor, he/she becomes a guardian of all of the estate. Unless a guardian is one of the heirs, he/she is entitled to remuneration of an amount established by law. His/her expenses associated with the custody and management of the estate can also be compensated.

As to estate protection, it lasts until the heirs accept the inheritance or following the expiration of a six-month period (if the inheritance was not accepted). The term for protecting the estate can be extended.

B. Intestate succession and forced heirship

In situations where no will exists, the Civil Code of Ukraine prescribes the mechanism of succession.

There are five priorities in regard to legal heirs, as outlined below.

First Priority	Children, including those conceived during the lifetime and born after the death of the testator, a surviving spouse, parents.
Second Priority	Brothers and sisters, grandfather and grandmother, both paternal and maternal.
Third Priority	Aunt and uncle.
Fourth Priority	Persons who lived as one family with the testator for at least five years before the opening of the inheritance.
Fifth Priority	Other relatives up to the sixth degree of kin ¹ (the relatives of a closer degree shall have priority over the other relatives) and dependents ² other than his/her family members.

When there are several heirs of the same priority, they are entitled to equal shares of the inheritance. At the same time, it is possible to change the share of one of the heirs of the inheritance by oral agreement with regard to movable property. With respect to immovable property or vehicles, the heirs shall enter into a written notarised agreement.

¹ The degree of kin shall be determined by the number of births between the testator and the relative. The testator's birth shall not be included in this number.

² A dependent is deemed to be an underage or incapable person other than the testator's family members, who received material assistance from the testator for at least five years, which was their only or the main means of their subsistence.

In addition, the Civil Code prescribes the right of succession based on the right of representation, as follows:

- grandchildren and great grandchildren shall inherit the share of the inheritance to be legally inherited by their mother, father, grandmother or grandfather had they lived at the time of the opening of the inheritance;
- great grandmother and great grandfather shall inherit the share of the inheritance to be legally inherited by their children (ie, the grandmother and grandfather of the testator) had they lived at the time of the opening of the inheritance;
- nephews and nieces shall inherit the share of the inheritance to be legally inherited by their mother and father (ie, the sister and brother of the testator) had they lived at the time of the opening of the inheritance; and
- cousins shall inherit the share of the inheritance to be legally inherited by their mother and father (ie, the aunt and uncle of the testator) had they lived at the time of the opening of the inheritance.

The same rules regarding equal shares apply to this type of succession.

Finally, certain persons are entitled to a mandatory portion of the inheritance (the forced heirship regime). Irrespective of the will, those heirs that are entitled to a portion of the inheritance include:

- juvenile children;
- grown-up incapable children;
- an incapable widow (widower); and
- incapable parents.

Such heirs outlined above shall inherit half of the shares that would belong to each of them in the case of legal succession.

The court may decrease the amount of the mandatory portion taking into account the relations between the given heirs and the testator or other specific circumstances. The mandatory portion of the inheritance shall include the value of the usual household and private items, the value of the testamentary renunciation for the benefit of a person eligible for a hereditary portion and the value of other items and property rights inherited by this person.

C. Marital property

The Civil Code of Ukraine does not directly regulate the inheritance of an estate obtained during the period of being married. However, according to the Family Code of Ukraine, the property acquired by the spouses during their marriage belongs to them based on the right of joint ownership, regardless of whether one of them did not have independent earnings (income) for a valid reason (education, the needs of the household, childcare, illness, etc). It is presumed that everything acquired during the marriage, apart from things of individual use, falls under the right of joint ownership of the spouses. Ukrainian legislation does not provide special rules regarding matrimonial property succession; therefore, in such cases, the general regime of inheritance shall apply, taking into account the legal positions adopted by the Supreme Court of Ukraine (*Verkhovnyi Sud*) in regard to these matters.

Upon the death of one of the spouses, the inheritance process begins only with respect to the personal property of the deceased, which does not include the other spouse's share of the matrimonial property.

The surviving spouse acting as an heir may apply for acceptance of the estate and for the issuance of a matrimonial share certificate with respect to his/her share of the matrimonial property.

As regards civil marriage, the Family Code of Ukraine enshrines that if a woman and a man live as one family but are not married, the property acquired by them during the period of their joint living arrangements belongs to them based on the right of joint ownership, unless otherwise stipulated in a written agreement between them.

Therefore, there are no special rules for marital property succession. However, both married persons and those residing together shall also benefit from the joint ownership regime for the purposes of succession.

D. Succession of separate categories of property

The Civil Code also deals with peculiarities applicable to particular cases of inheritance. This is connected with a particular component of the estate.

Land

The right to ownership of a piece of land shall pass to the heirs on general terms, with the preservation of the land's target use being an important aspect of that inheritance. The Land Code of Ukraine distinguishes between nine categories of land plots, including agrarian, residential and public buildings and recreational land, etc.

If a person inherits houses, other buildings, constructions and the object of unfinished construction for which the right of ownership/special property right has been registered, he/she shall also acquire:

- the right to ownership or use of the land; and
- the right to ownership or use of the land necessary for the maintenance thereof (unless specified otherwise in the will).

Payouts

The amount of wages, pensions, scholarships, alimony, aids for temporary work incapacity, compensation for mutilation or other health disturbance and other welfare benefits of the testator that were not received in his/her lifetime shall be transferred to his/her family members or in the absence thereof included in the inheritance.

Deposits

A depositor can dispose of his/her right to a deposit in a bank or financial institution in case of death by making a will or a testamentary arrangement with the bank or financial institution. The right to deposit shall be included in the inheritance irrespective of the manner of disposal.

Insurance payments

Insurance payments shall be inherited in the general order. However, if the person involved in making the personal insurance contract appointed a person to inherit the insurance payments, this asset is excluded from the estate.

Compensation

An heir is entitled to all of the different types of compensation, inter alia, in connection with a breach of contract and the causing of damages. This also includes penalties resulting from the non-fulfilment of contractual obligations that were awarded by the court to the testator during their lifetime.

The right to compensation for moral damages passes to an heir where it was awarded by a court to the testator during their lifetime.

Any other forms of compensation that could have been obtained by the testator during their lifetime shall be automatically awarded to their heirs.

At the same time, an heir shall provide compensation for any material damages caused by the testator. Any moral damage caused by the testator shall be compensated by an heir only if such compensation was adjudicated by a court during the testator's lifetime. The same rule applies to penalties ordered by the court during the testator's lifetime.

Generally, the sum of compensation is limited to the value of the inherited property.

Special property rights

An heir is given all of the rights and obligations of the deceased under the following agreements: (1) a housing lease with a purchase option (a rent-to-own agreement); (2) a sale and purchase agreement for an indivisible unfinished construction object or future immovable property (first sale); and (3) an agreement to participate in a construction financing fund.

Maintenance, care, treatment and burial of the testator

Heirs are obliged to reimburse reasonable expenses incurred by one of them or by another person for the maintenance, care, treatment and burial of the testator. The costs of maintenance, care and treatment of the testator include costs incurred up to three years before his/her death.

Possible changes

On 28 April 2026, the Ukrainian Parliament adopted a new draft Civil Code, which proposes significant amendments, among other things, to inheritance law in Ukraine. In particular, the following revisions are proposed: (1) the introduction of the possibility of making an electronic will that would be certified with a qualified electronic signature; (2) allowing the renunciation of inheritance in favour of a specific person; (3) the clear stipulation that a will involving jointly owned spousal property may only be made in respect of one's own share; (4) a reduction of the compulsory (mandatory) share that would be due by law; and (4) a substantial revision to the order of statutory heirs.

However, it should be noted that since this draft was adopted only in the first reading, the final text of the new Civil Code may change significantly before the second reading and final adoption. Moreover, the adoption in the first reading does not guarantee that the draft will be passed at all, as the discussion process is still ongoing.

III. Planning structures

A. Legal concepts

Trust

Ukrainian legislation does not recognise the common law concept of 'trusts' that includes a split between legal and beneficial ownership. Also, Ukraine has not ratified the Convention on the Law Applicable to Trusts and on their Recognition (or the Hague Trusts Convention) of 1 July 1985. Nonetheless, the Ukrainian concept of a so-called 'trust' (which is not a trust as per the original meaning) has two subdivisions as provided by the Civil Code of Ukraine: (1) a trust as a means of securing the obligations placed on borrowers (eg, pledge, mortgage, suretyship) arising from a loan agreement; and (2) a trust established as a result of an asset management agreement.

As to the second option, a trust may be established by an asset management agreement pursuant to which the settlor transfers the respective property to be managed by the other party for a certain period of time and the manager undertakes to manage such property on its own behalf but in the interests of the settlor or any other beneficiary nominated by the settlor and in respect of remuneration payable by the settlor. The establishment of a trust under an asset management agreement does not result in the termination of the settlor's legal and beneficial ownership.

The Supreme Court of Ukraine (*Verkhovnyi Sud*) defines a trust created under an asset management agreement as a limited proprietary right conferred on the trustee, the scope of which is limited by law and the respective asset management agreement.

Therefore, a trust scheme where the trustee becomes a legal owner of trusted property and holds the title of ownership for the benefit of the beneficiary cannot be set up under Ukrainian law nor is it recognised in Ukrainian legislation other than for the purposes of anti-money laundering and the controlled foreign company rules. Notwithstanding the aforementioned aspects, Ukrainian residents and citizens of Ukraine are not prohibited from setting up foreign trusts, endowing assets therein, as well as acting as a settlor, a protector or a beneficiary of a trust (subject to currency control restrictions). Moreover, according to Ukrainian conflict of laws, foreign trustees may act in Ukraine under the authority conferred on them by a respective trust agreement governed by foreign law.

Arrangement of the management of property

The Ukrainian legal system has continental-type features, which explains the absence of the 'trust' concept. As mentioned before, within Ukrainian legislation the closest vehicle to a trust is an asset management agreement.

According to the relevant legislation, a manager undertakes to conduct the management of the transferred assets on the behalf and in the interests of the owner. The manager does not gain any benefit from the transferred assets, but he/she obtains the right to remuneration for the completed duties.

The benefits from property managed in this way belong to the owner of the property. Also, the owner of the property may choose a person who is entitled to benefit from the property transferred (beneficiary) under such an agreement.

As a rule, money cannot be the subject of a property management agreement.

Fund/foundation

National legislation enshrines the possibility of incorporating a charitable foundation or investment fund, depending on the purpose of such a vehicle.

Charitable foundations

First of all, as has been adopted by most European countries, Ukrainian legislation states that the purpose of charitable organisations cannot be the receipt and distribution of profits to the founders, members of management bodies and other related persons, as well as the workers of such organisations.

Under the law on charitable activities and charities, a charitable foundation is recognised as an organisation that operates on the basis of a charter, has participants and is managed by participants who are not obliged to transfer any assets to this organisation for the achievement of charitable purposes. A charitable foundation can be created by one or several founders, both by individuals or legal entities. The assets of the charity fund may be endowed by participants and/or other benefactors.

Funds

In Ukraine, investment funds are called joint investment institutions. According to the Law of Ukraine on joint investment institutions, funds are deemed to be specific legal vehicles developed for the attraction and effective allocation of investors' financial resources.

The abovementioned law provides that a corporate investment fund can be established in the form of a joint stock company. It can be founded by one or more individuals or legal entities. Legal entities cannot be the founders of a fund if its share of the statutory capital exceeds 25 per cent.

To establish a fund, its founders are required to enter into an agreement, approve the necessary statute (regulation) and register the fund as per the order prescribed for the registration of joint stock companies.

Under Ukrainian legislation, the amount of the required minimum capital depends on the size of the minimum salary, which is determined by the Law on the State Budget for the relevant year. As is prescribed in the legislation, the capital required shall be at least 1,250 minimum salaries, which is equivalent to UAH 10,808,750 for 2026 (approximately €211,662 as of July 2026).

The assets contained within the investment fund belong to its investors based on the right of joint ownership. The participation of each investor in the investment fund is confirmed by the ownership of the securities in the fund, namely investment certificates or shares. The classification of different investment funds is detailed below.

Depending on the form		
Unit Investment Fund	Corporate Investment Fund	Venture Fund
The pool of assets belonging to the members of such a fund under the right to collective share ownership, which are managed by the company and accounted for separately from the results of its economic activity. This fund is not a legal entity and cannot have officials.	A legal entity which is formed in the form of a joint stock company and that exclusively conducts joint investment activities.	A non-diversified joint investment institution, which exclusively conducts activities related to the private placement of securities of the collective investment institution among certain legal entities.

Depending on the arrangements for the exercise of activities		
Open	Closed	Interval

This type of fund is deemed to be open to the extent that it remains legally liable to purchase back the securities issued by such fund from any investor holding such securities at any given moment.	This fund is deemed to be closed to the extent that it does not remain legally liable to purchase back the securities issued by the fund from any investor holding such securities at any given moment.	This fund remains liable to purchase back the securities issued by the fund from any investor holding such securities during the period prescribed in the investment declaration of the fund.
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Depending on the structure of the assets			
Diversified	Non-diversified	Specialised	Qualified
Funds whose asset structure simultaneously complies with the special requirements defined by law and aimed at reducing the risks associated with portfolio investment activities. Only open and interval funds may be diversified.	The fund's asset structure is not subject to the requirements and/or restrictions provided for diversified, specialised and qualified investment funds.	Funds that correspond to certain asset classes defined by law (money market funds, government securities funds, index funds, banking metals funds, etc).	Funds that invest assets exclusively into any of the stipulated qualifying classes of assets defined by law (the united class of shares, the credit assets class, the class of real estate, etc) and that do not have any asset structure requirements.

B. Management and fiduciary duties

Charitable foundation

The governing bodies of charitable foundations are as follows:

- The general meeting of the members, which conduct the functions of the governing body in relation to the issues of charitable foundations. The exclusive competence of the general meeting of participants includes making amendments to the charter; the appointment, election or termination of powers (revocation) of the executive body and supervisory board members; and taking decisions on reorganisation or liquidation of the foundation.
- The executive body, which conducts the role of a permanent governing body of the charitable organisation. One or more individuals with full capacity can be members of the executive body. The executive body acts on behalf of the charitable foundation in the order and within the limits of the powers established by the law and the constituent documents of the charitable foundation.
- The supervisory board is the supreme governing body. The supervisory board approves the charitable programmes carried out and monitors the compliance of the activities and the use of the foundation's assets, along with its constituent documents. Of note, members of the supervisory board of the charitable organisation cannot be members of the executive body.

Fund

A corporate fund's governing bodies are the following:

- The general meeting, which is the supreme body. The general meeting of members involves the making of decisions regarding any issue related to the fund's activities. Moreover, the applicable legislation contains the actions that are the exclusive competence of the general meeting, such as making amendments to the charter, taking a decision on the payment of dividends and the election of members to the supervisory board, etc.
- The supervisory board, which ensures the protection of participants' rights, as well as the supervision of the fund's activities and the fulfilment of the terms stated in the constitutive documents.

The assets of the investment fund are owned by individual investors—shareholders and are managed by an asset management company (AMC). According to the legislative requirements, every fund is obligated to hire an AMC to manage its assets. Prior to operating on the market, the AMC shall obtain the relevant licence issued by the National Securities and Stock Market Commission (NSSMC) for the provision of professional services.

The officials of the AMC are the chairman and members of the supervisory board, executive body, the corporate secretary, the chairman and members of other bodies that form the company (if the formation of such bodies is provided in the charter).

An AMC's activities are strictly regulated, limited by law and controlled by the NSSMC.

The main functions of the AMC are the following:

- the issuance, placement and redemption of the fund's securities;
- the attraction of agents who place/repurchase the fund's securities among the investors;
- analysis of the securities market, real estate and other markets, instruments of which are part of the fund's assets; and
- the regular revaluation of assets, registration of contracts for the acquisition and sale of assets and the preparation of reports to state bodies, etc.

The custodian of the assets, the depositary, the auditor (audit firm), the appraiser of property and any affiliated entities cannot be participants in the fund with which they have entered into service contracts.

C. Establishment and incorporation

Charitable foundation

Charitable foundations acquire the rights and duties of a legal entity from the moment of its state registration. The state registration of a charitable foundation is conducted by state registrars.

Following state registration, the charitable foundation will receive a paper certificate from the Unified State Register of Enterprises, Institutions and Organisations upon request. An electronic version of the foundation's statute will be published on the website of the Ministry of Justice of Ukraine (access is possible using the access code provided during state registration).

Fund

Under the relevant legislative provisions, funds must be registered by the NSSMC. The Commission enters all of the relevant information about the fund into the Single State Register of Collective Investment Institutes and, as a result, a registration code is assigned to the fund.

The regulation of a fund is the source of the information for the purposes of entering the relevant information into the register. The regulation is a document defining the procedure, terms, conditions and features of the activity of funds. The registration of a regulation or changes to it is carried out within 30 working days from the date of receipt of the relevant documents by the NSSMC.

The grounds for refusal to register the regulation and the fund in the register, as well as amendments to the regulation, are the following:

- the inconsistency of the submitted documents with the requirements set out in the legislation;
- the absence of documents that must be submitted according to law;
- the indication of inaccurate information in the submitted documents;
- the availability of mutually exclusive information in the documents submitted for registration of the regulation or its amendment; or
- violations of the procedure for the establishment of a joint investment institution.

IV. Taxation

A. Domicile and residency

Ukrainian legislation uses the concept of tax residency in order to define whether a person is liable for taxation. Residents are taxable on their worldwide income, whereas non-residents are taxed on Ukrainian-sourced income only.

Individuals

According to the Tax Code of Ukraine, an individual shall be considered a tax resident of Ukraine if he/she meets one of the following criteria:

- they reside in Ukraine;
- an individual, residing both in Ukraine and abroad, has a place of permanent residence (ie, lives permanently) in Ukraine;
- an individual, having a place of permanent residence both in Ukraine and abroad, has his/her centre of vital interests in Ukraine (ie, stronger personal and economic relations);
- it is not possible to define a state where an individual has their centre of vital interests or an individual does not have a permanent residence in any other state, however such an individual resides in Ukraine for no less than 183 days per fiscal (calendar) year;
- if it is not possible to define the residential status of an individual according to the abovementioned criteria, the individual is considered to be a tax resident of Ukraine if he/she is a citizen of Ukraine; or
- if an individual has no citizenship and the above rules do not apply, his/her residential status shall be defined in accordance with the provisions of international law.

Self-determination by an individual that he/she has a place of permanent residence in Ukraine, as well as the registration of such an individual as a self-employed person, are sufficient for the recognition of that individual as a tax resident of Ukraine.

It should be noted that double tax treaties (DTTs) between Ukraine and other jurisdictions stipulate rules for determining the place of an individual's tax residence and, if such rules are different from those provided by Ukrainian legislation, the relevant DTT rules shall prevail.

Legal entities

Legal entities are tax residents of Ukraine if they were established and conduct business activity according to Ukrainian legislation, either within the territory of Ukraine or outside.

Foreign companies, organisations, their branches and/or representative offices are not tax residents of Ukraine, unless they are recognised as tax residents according to the permanent establishment concept. However, since 1 January 2022, a foreign company may be deemed to be a tax resident of Ukraine if its place of effective management is in Ukraine (eg, the management of the company's accounts or staff is conducted in Ukraine or meetings of the executive body take place in Ukraine).

In any event, the provisions of a DTT shall prevail over domestic law when identifying a legal entity as tax resident.

B. Gift, estate and inheritance taxes

Gift and inheritance tax

According to the Tax Code, the same tax regime applies to gifts and inheritance, with some minor differences.

Individuals

The following factors are relevant in order to determine the taxation applicable to gifts/inheritance:

- Is the donator/testator a tax resident of Ukraine?
- Is the donee/heir a tax resident of Ukraine?
- Are the donator/testator and the donee/heir, respectively, family members (relatives)?

The most beneficial tax regime applies in cases where the donator/testator and the donee/heir are first- or second-degree relatives (ie, parents, spouses, children, siblings, grandparents or grandchildren) and they are tax residents of Ukraine. In this case, all gifts and/or inheritance are subject to a zero per cent tax rate.

If the donator/testator and the donee/heir, respectively, are not first- or second-degree relatives, but both are tax residents of Ukraine, the gift and/or inheritance shall be taxed at a five per cent rate of personal income tax (PIT) and five per cent military duty.

The least advantageous regime is provided if the donator/testator or the donee/heir, respectively, are not tax residents of Ukraine. In this situation, the received gift/inheritance is subject to PIT at a rate of 18 per cent and five per cent a military duty, even where the non-resident is a first or second-degree relative.

As to the base for the PIT calculation, generally such a base shall be estimated according to the value of the gift or inheritance (usually determined by a licensed assessor). However, for gifts, such a base shall be decreased by 25 per cent of the average minimum salary (approximately €43 as of 2026).

In addition, notwithstanding the above, if a donator is a legal entity or an individual entrepreneur, the full sum of the gift (decreased by 25 per cent of the minimum wage) shall be taxed at the standard 18 per cent PIT rate and five per cent military duty.

Legal entities

Resident legal entities shall include the total sum of all the gifts and inheritance to their overall income for the purpose of calculating their financial results (which may be subject to tax adjustments). In situations where the gross financial result is positive, such a result shall be subject to corporate profit tax (CPT). The basic CPT rate is 18 per cent.

Estate tax

Generally, there are two types of taxes related to estate owned either by individuals or legal entities, namely annual property tax and PIT/CPT resulting from the transfer of an estate.

ANNUAL REAL PROPERTY TAX (INDIVIDUALS AND LEGAL ENTITIES)

Legal entities that own real estate are subject to tax at a rate of up to 1.5 per cent of the minimum salary (approximately €2.6 as of 2026) per square metre owned. The precise tax rate is defined by the relevant local authorities.

Individuals are exempt from annual real property tax if:

- the total area of their apartment(s) does not exceed 60 square metres;
- the total area of their house(s) does not exceed 120 square metres; or
- the total area of their apartments and houses if the individual owns both does not exceed 180 square metres.

Each subsequent square metre shall be taxed at the abovementioned rate if the total area of the individual's estate exceeds the above thresholds.

However, if the total area of the apartment owned by the individual or legal entity exceeds 300 square metres and/or area of the house exceeds 500 square metres, an individual/legal entity shall additionally pay a fixed tax amount of UAH 25,000 (approximately €489 as of July 2026) per annum.

A separate tax applies to land. Land tax at a rate of up to 12 per cent applies for legal entities and up to three per cent for individuals is applicable in regard to the land's assessed value per annum. The precise tax rate is imposed by the applicable local authorities depending on the location and use of the land.

PIT (INDIVIDUALS)

The applicable tax regime depends on:

- the type of estate sold;
- the duration of ownership; and
- the residential status of the seller.

In particular, if an individual (resident or non-resident) sells a house (or part thereof), an apartment (or part thereof), a room or a garden building, no more than once per fiscal year, provided that the relevant legal title has been held for no less than three years before the sale occurred, there will be no PIT levied on the income resulting from the respective property's sale. The three-year period of ownership requirement does not apply to inherited property.

The same rules are applied to the sale of land provided that the area of the land does not exceed the limits stipulated for a free of charge transfer defined by the Land Code. This limitation, however, does not apply to privatised agricultural land plots, which qualify for the exemption regardless of size.

If more than one sale occurs during a fiscal year or the sale of an object occurs other than those indicated above, the generated income shall be subject to PIT and military duty. Thus, if a seller is a tax resident of Ukraine and this is their second sale (or a first sale that does not fall within the applicable exemptions), five per cent PIT and five per cent military duty will apply to the income received. In situations involving a non-resident seller or a tax resident of Ukraine making a third or subsequent sale (or a second sale that does not fall within the applicable exemptions), the PIT rate applied will be 18 per cent and five per cent military duty. Also, the sale of unfinished construction projects, future real estate objects and the assignment of rights relating to such property is subject to PIT tax at a rate of 18 per cent and five per cent military duty.

The first instance of inherited real estate during a tax year shall not be subject to PIT or military duty. The second and each subsequent sale of inherited real estate during the same tax year and the sale of inherited unfinished construction projects, future real estate objects and the assignment of rights relating to such property will be subject to PIT at a rate of five per cent and five per cent military duty.

As a general rule, the tax base will be the contractual value of the estate, which must be no less than its estimated value calculated by a licensed assessor.

However, for certain transactions, tax applies to the gains derived from the sale rather than the entire sale proceeds. In particular, the gains derived from the sale of real estate objects may be reduced by the seller's documented acquisition costs. The same approach applies to the sale of unfinished construction projects, future real estate objects and the assignment of rights under agreements for the acquisition of future real estate objects provided that the conditions prescribed in the Tax Code of Ukraine are satisfied.

Apart from taxes, the purchaser is subject to a pension levy of one per cent of the contract price and a state levy imposed on either party at one per cent of the contract price.

Gains derived from the sale of movable property are taxed at a rate of five per cent. However, if such gains were derived from the first sale of motor vehicles during the year, they are exempt from tax. Further sales of motor vehicles by the same person during the same reporting period shall be subject to tax at a rate of five per cent (second sale) and 18 per cent (third sale).

CPT (LEGAL ENTITIES)

Resident legal entities shall include all generated income within its income base for the purpose of calculating its financial results (subject to tax adjustments). The financial result (if it is positive) will be subject to CPT at a rate of 18 per cent.

C. Taxes on income and capital

All tax residents of Ukraine, either individuals or legal entities, are required to pay taxes on their worldwide income, while non-residents are liable to taxation only on Ukraine-sourced income.

Ukraine has also entered into a number of DTTs that provide a preferential tax regime for some types of income generated by residents of one state in another state.

Individuals

The basic PIT rate is 18 per cent, while some income may be subject to a lower tax rate (zero per cent, five per cent, nine per cent) or may be tax exempt. From 1 January 2025, the military duty rate has been increased from 1.5 per cent to five per cent and applies to all income subject to personal income tax. However, the 1.5 per cent military duty is still applied in regard to the monetary allowances of military personnel and some categories of employees in the security and defence sector.

Legal entities

The basic CPT rate is 18 per cent. Certain types of business, such as insurance, are taxed according to special regimes that are subject to lower tax rates. Taxable profit is calculated in accordance with the domestic accounting rules, subject to tax differences.

Income generated by non-residents is generally subject to withholding tax at a 15 per cent tax rate, unless a lower rate is stipulated by an applicable DTT.

D. Recent tax changes

Due to the occurrence of unprovoked Russian aggression against Ukraine, most recent tax changes have been caused by national security threats. Currently, these changes include, inter alia, certain value-added tax (VAT) exemptions for goods needed in war time conditions and a tax audit moratorium that was almost revoked, etc. Nevertheless, other tax developments not related to martial law have also occurred.

E-residency

Foreign individuals who have reached the age of 18 and those who are not residents of Ukraine, do not have Ukrainian citizenship and Ukrainian tax residency, do not have a permanent residency permit in Ukraine, do not derive business income sourced from Ukraine (except passive income) and those who are citizens, permanent residents or tax residents of states included in the list of states which may acquire electronic residency status (e-residency) may apply for e-residency status in Ukraine, which allows them to register in Ukraine as an individual entrepreneur, meaning that they will pay a five per cent turnover tax, along with being given access to Ukrainian banking services and being given the opportunity to execute documents with an e-signature, etc. As of now, citizens of Pakistan, Thailand, India and Slovenia are the only countries that are eligible in this regard. The list of eligible countries is expected to expand in future.

An e-resident may not conduct business activities in Ukraine, which means that e-residency applies only to out-of-Ukraine commercial activities. Also, an e-resident is supposed to comply with the annual turnover limit of 1,167 minimum salaries established by law (approximately €197,608 as of July 2026), otherwise the amount exceeding that threshold will be taxed at 15 per cent.

Payment of taxes with electronic money

Taxes may be paid with electronic money, which are units of value stored in electronic form, issued by banks, electronic money institutions or subsidiaries of foreign payment institutions licensed by the National Bank of Ukraine for payment transactions and which are accepted as a means of payment by persons other than their issuer and that are monetary obligations of the relevant issuer. Currently, due to martial law, the e-money moratorium is in force.

It is also worth noting that Ukraine is working on establishing a legal framework for digital assets, with legislative initiatives currently under consideration to regulate their circulation and taxation.

E. Temporary measures

Tax audit moratorium

As of July 2026, there is no general moratorium on tax audits of businesses in Ukraine. The State Tax Service has the right to conduct scheduled and unscheduled documentary audits, as well as factual audits. These tax audits are conducted only if safe conditions exist for tax officials and enterprises. However, the moratorium on tax audits still applies to enterprises located in temporarily occupied territories or territories where hostilities are taking place (with certain exceptions).

Liability relief

Starting from 1 August 2023 until the termination of martial law, taxpayers are exempt from fines and penalties if mistakes in tax returns have been corrected by the taxpayer himself/herself. Additionally, if the taxpayer pays the tax liability assessed as a result of documentary audits (reinstated or started on or after 1 August 2023 and completed before the end of martial law) within 30 calendar days after receiving a tax notice decision, the fines accrued in regard to such tax liability shall be considered cancelled and no penalty interest shall be charged.

Apart from that, taxpayers not being able to fulfil their tax obligations in time due to the ongoing war conditions shall fulfil such obligations within six months after the termination of martial law and shall be exempt from liability for the failure to fulfil their obligations in time. However, the taxpayer is required to prove to the tax authorities such an inability by submitting an application outlining the circumstances that provide grounds for relief.

The White Business Club Law

In August 2024, the White Business Club Law entered into force in Ukraine. The law establishes a special status for businesses that demonstrate good-faith compliance with tax legislation. Taxpayers who meet all of the requirements stipulated in the Tax Code of Ukraine can be included in the List of Taxpayers with a High Level of Voluntary Compliance.

During the period of martial law in Ukraine and until 31 December of the year in which martial law is terminated, this status entitles listed entities to claim certain tax administration benefits, including a reduced number of tax audits, expedited desk and documentary audits (particularly those related to VAT refunds), the expedited issuance of individual tax rulings and the appointment of a dedicated personal compliance manager.