



Engaging in Ukraine's reconstruction: a doing business guide

mazars

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Ukraine: a roadmap to recovery and reconstruction

How big is the challenge of the economic recovery and reconstruction of Ukraine?

One year later, the ongoing war is still a humanitarian, economic and environmental crisis. Ukraine's gross domestic product (GDP) contracted by 29.2% in 2022 as a result of millions of people being displaced within the country or fleeing abroad, as well as a crippling of the state's infrastructure, energy and transport networks and critical sectors, notably agriculture and industrial commodities. The effects continue to have far-reaching repercussions beyond Ukraine. Despite this, the Ukrainian government and people continue to demonstrate perseverance, restraint, national togetherness and dedication to recovery and reconstruction.

The precise assessment of war-related damages, losses and needs for recovery and reconstruction is challenging. Therefore, Ukrainian stakeholders and international partners regularly estimate the extent of the damage, losses, and reconstruction requirements.

The three main terms are used to evaluate this challenge, namely damages, losses and needs.

The damages mean complete or partial destruction to the physical infrastructure of Ukraine as a result of the full-scale war, valued in monetary terms at replacement costs.

Under **the losses** are measured the disruptions to economic flows and production, as well as additional expenses associated with the war such as increased operating cost, loss of revenue for authorities and private sector and other.

The needs represent the total value associated with returning to prewar normality through activities like repair and restoration. It also includes improvements in line with "building back better" principles, such as enhanced energy efficiency, modernization, and sustainability standards. Needs do not equal the sum of damages and losses.

These terms help differentiate the various aspects and costs associated with the impact of a war, including both the immediate physical destruction and the broader economic and reconstruction requirements.

In 2023 number of **Ukrainians remaining abroad under temporary protection is evaluated 6 million people** compared to 8 million in 2022.

At the same time, **5 million Ukrainians are internally displaced persons** within Ukraine, according to IOM, that equals to the total population of Singapore or Norway.

Ukrainians abroad under temporary protection



Since the beginning of the full-scale Russian military invasion, the cumulative damage to both residential and non-residential real estate, as well as other essential infrastructure, has exceeded \$150.5 billion¹ (valued at replacement cost).

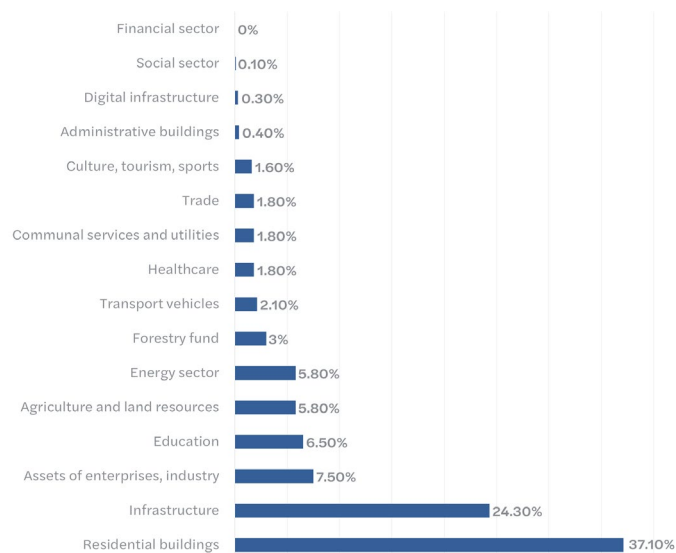
\$150.5 billion

the damage to the infrastructure

The six primary categories of damage can be summarized as follows:

- **Housing:** a total of **\$55.9 billion** has been incurred in damages, impacting residential structures;
- **Infrastructure:** extensive damage to essential infrastructure amounts to **\$36.6 billion**, affecting roads, bridges, and other vital facilities;
- **Business assets and enterprises:** approximately **\$11.4 billion** in damages have been inflicted upon business assets and enterprises. More than 400 large and medium-sized private enterprises, as well as state-owned enterprises, and tens of thousands of small private enterprises have been damaged or destroyed;
- **Educational institutions:** damage valued at **\$9.7 billion** encompasses various educational facilities, from schools to universities;
- **Agriculture sector:** the agriculture sector has suffered losses of **\$8.7 billion**, affecting crops, livestock, and farming infrastructure;
- **Energy sector:** the energy sector reports damages of **\$8.8 billion**, impacting power generation and distribution facilities.

Share of damages by property type as of June 2023



Source: Kyiv School of Economics

The destruction of residential buildings, social facilities, schools, power grids, and road infrastructure creates enormous needs for short-term reconstruction (modular cities, hospitals, schools), as well as reflection on new approaches in long-term reconstruction: new technologies and sustainable approaches in construction, solutions in energy and demining.

Some destruction in figures:

167 200

destroyed residential buildings representing housing for more than 3,4 million people including

147 800 individual houses

19 500 multi-story apartment buildings and dormitories

1 200+

healthcare facilities

3 400+

educational institutions (1000 schools are destroyed)

25 400 km

of destroyed roads and 344 bridges and bridge crossings of state, local or municipal importance

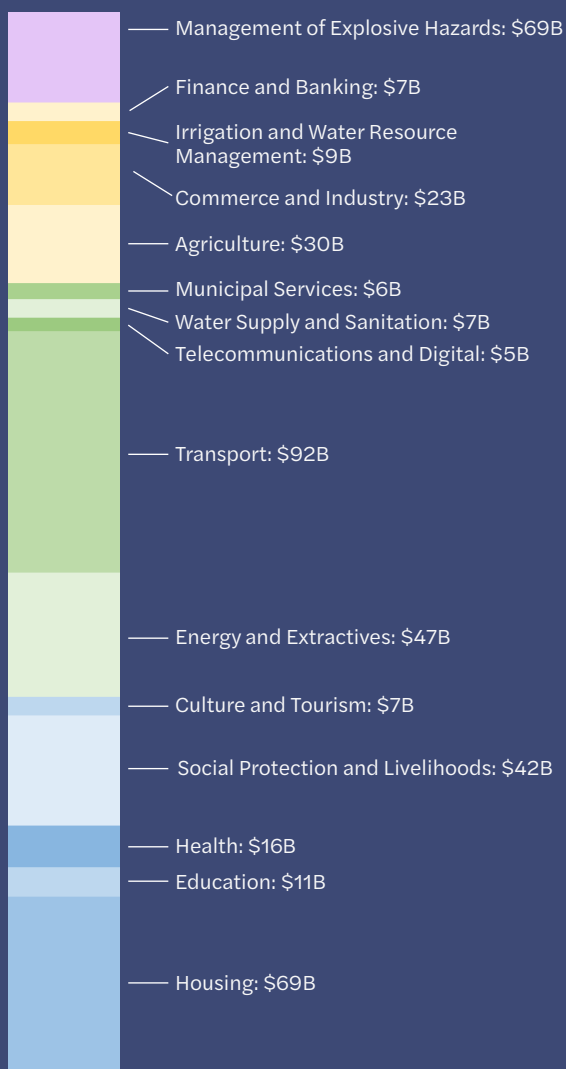
126 railway stations

of which more than 53 in government-controlled areas and the rest in non-government-controlled areas and up to 507 km of railway track

174 000 km²

or approximately 30% of Ukraine's territory, are potentially contaminated by explosive hazards and need to be demined

¹Kyiv School of Economics, [Report on damages and losses to infrastructure from the destruction caused by Russia's military aggression against Ukraine as of June 2023](#)

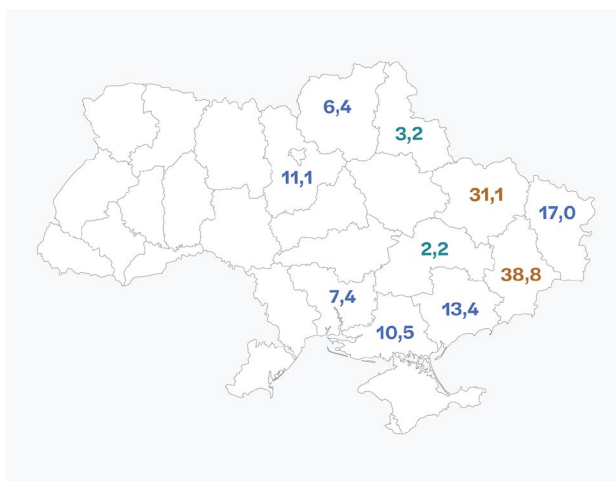


Note: Needs relate to total estimated needs covering the period 2023–2033.

Source: Rapid Damage and Needs Assessment February, February 2022 - February 2023

In the first weeks of the full-scale war, in late February and early March, hostilities took place in **10 regions**. As of June 2023, hostilities continued in Kharkiv, Luhansk, Donetsk, Kherson and Zaporizhzhia regions.

The regions of Ukraine most affected by the hostilities are those where the fighting took place: Donetsk, Kharkiv, Luhansk, Mykolaiv, Zaporizhzhia, Kyiv and Chernihiv regions.



The evaluation of economic, social and other monetary losses differs depending on sources is estimated between **US\$265.6 billion to US\$290 billion**.

US\$411 billion
Total recovery and reconstruction needs

The most comprehensive estimation of **needs** is described in the Rapid Damage and Needs Assessment report (RDNA2)2 realized jointly by

the World Bank, the Government of Ukraine, the European Commission, and the United Nations, and supported by other partners. This report considers the first year of war. The RDNA 3 report is being prepared by the Ukrainian authorities with the international partners.

According to the RDNA 2, the **total estimated reconstruction and recovery needs for the next 10 years are about US\$411 billion** which is 2.6 times the actual GDP of Ukraine in 2022. Within these needs, essential measures are incorporated to transform the nation into a modern, environmentally sustainable, low-carbon, resilient country, harmonizing with European Union policies and standards. This transformation is part of preparations for potential European Union membership, focusing on addressing the vulnerabilities of the population and fostering a prosperous way of life.

The highest estimated needs are naturally in the most damaged sectors: with 22% are in transport and infrastructure, 17% in housing, 11% in energy, 10% in social protection and livelihoods, 9% in explosive hazard management and 7% in agriculture sector.

The scale and diversity of sectors generate a significant demand for private sector involvement in the recovery and reconstruction process. Furthermore, reconstruction is primarily propelled by the private sector, encompassing the execution of projects in the public domain, both at the national and community levels, along with the operation and expansion of facilities within Ukraine.

An aerial photograph of a winding asphalt road through a dense forest of green trees. A small yellow car is driving on the road. The road curves from the top left towards the bottom right of the frame.

Ukraine: a roadmap to recovery and reconstruction

Renovation and construction: who to get in touch with?

In April 2022, the National Council for the Recovery of Ukraine from the War was created. It is an advisory body under the President of Ukraine that includes all the ministries for the efficient coordination and development of post-war recovery plan.

Ukraine: a roadmap to recovery and reconstruction

Renovation and construction: who to get in touch with?

Key stakeholders

The key public stakeholders engaged in recovery and reconstruction efforts in terms of infrastructure and transport, housing, utilities with the localities development aspect are:



Ministry for restoration – Ministry for Communities, Territories and Infrastructure Development of Ukraine

The Ministry is created in the end of 2022 after the merger of Ministry of infrastructure and Ministry for communities and territories development. It is the central executive body, whose activities are directed and coordinated by the Cabinet of Ministers of Ukraine.

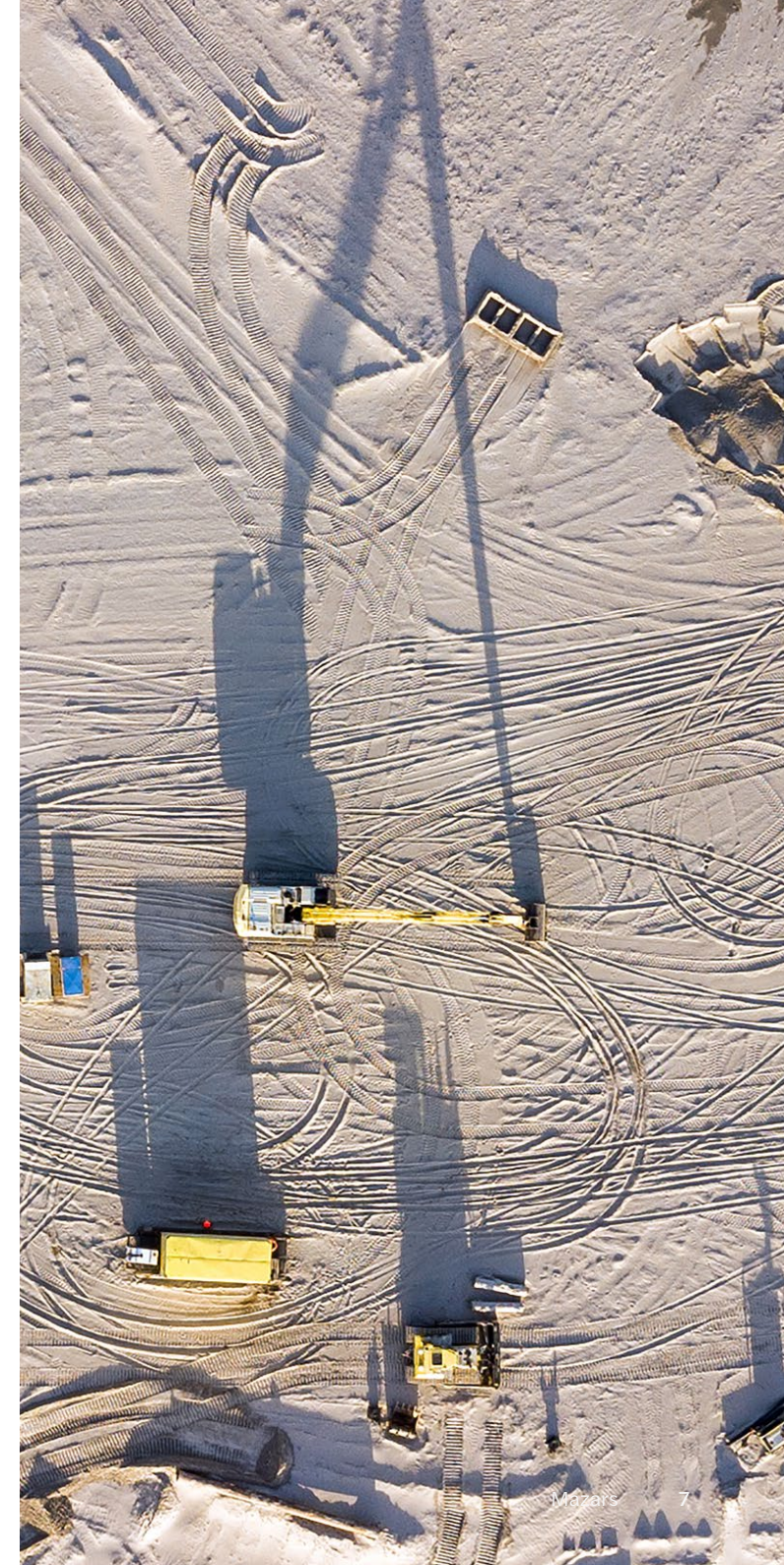
The ministry defines and implements the policies in the areas of:

- transport and infrastructure;
- urban development and housing;
- architectural and construction control and supervision;
- energy efficiency;
- development of local self-government;
- communities' development, governance, and territorial organization;
- development and operation of crossings points of a state border;
- globally, restoration of regions, territories and infrastructure affected by Russian aggression.

Deputy Prime Minister for Restoration of Ukraine - Minister for Communities, Territories and Infrastructure Development of Ukraine is co-chairing on the Ukrainian Side the Steering Committee of Multi-agency donor coordination platform for Ukraine launched in January 2023.

The national level donors' programs related to restoration projects in communities are coordinated by the Ministry of restoration.

Website: <https://mtu.gov.ua/en/>



Ukraine: a roadmap to recovery and reconstruction

Renovation and construction: who to get in touch with?

2






National Agency for Restoration and Infrastructure Development of Ukraine

The Agency for restoration is responsible for the effective and transparent implementation of the country's current rapid recovery and post-war reconstruction projects.

Established in January 2023 by merging the State Road Agency (Ukravtodor) and the State Agency for Infrastructure Projects (Ukrinfraproyekt), bringing together expertise in cooperation with IFIs and international partners and project implementation.

The Agency for Restoration is a partner for local government and executive authorities in the implementation of restoration projects.

The key areas of responsibility for the Agency for restoration are:

-  critical infrastructure
-  housing and social infrastructure
-  transportation infrastructure
-  utility infrastructure
-  energy infrastructure

The restoration projects can be initiated on very different stages by:

- central executive authorities;
- local self-government bodies (communities);
- regional and local (military) administrations;
- state and municipal enterprises.

The sources of project financing may include:

- State Budget of Ukraine - the Fund for Elimination of Consequences of Armed Aggression (confiscated Russian assets), the State Road Fund, etc;
- international financial institutions (loans and grants);
- governments of partner countries (loans and grants);
- international organizations.

Website: <https://restoration.gov.ua/>

How to work with the Agency for restoration:

01.

The initiators of restoration projects – assets' custodians – submit their projects proposals to the national authorities (concerns damaged or destroyed infrastructure)

02.

A special committee coordinated by Ministry for restoration selects priority projects in accordance with the strategic areas. These priority projects are further approved by the the Cabinet of Ministers of Ukraine

03.

Approved projects are transferred to the Agency for further implementation

04.

The project initiator assigns its rights as a Customer to the Agency for the procurement process

05.

The Agency organizes the procurement of works and services necessary for the project implementation

Ukraine: a roadmap to recovery and reconstruction

Renovation and construction: who to get in touch with?

3

Communities (Hromadas)

As a result of Decentralisation Reform, **1,469** territorial communities have been created in 2020 in the country, incl. 31 communities in the non-government-controlled territory within the Donetsk and Luhansk regions. These communities (hromadas) or, in official language, amalgamated territorial communities, and their government bodies are important reconstruction project owners and initiators.

Among these communities:

- 409 urban communities with a center located in the city;
- 435 town communities with a center located in the town;
- 625 rural communities with a center located in the village.

Website: <https://decentralization.gov.ua/en/newgromada>
(for the list of communities, every community has its own website).

Interactive map of communities:
https://www.oporaua.org/longrid/map_2020.html



Ukraine: a roadmap to recovery and reconstruction

Renovation and construction: who to get in touch with?

Key instruments

In addressing the reconstruction challenge transparently and in alignment with European regulations, new tools and instruments are in development. Many of these tools build upon the reforms initiated after 2014 and are currently being developed in collaboration with Ukraine's Ministry of Digital Transformation and the Diia, unique digital portal of state services. Several tools are especially useful for the restoration projects.



eConstruction System

Unified State Electronic System in the Construction Industry (e-construction) is a nationwide information system designed to streamline the construction process in Ukraine to ensure maximum transparency and freedom from corruption by providing public access to construction-related information. Its implementation started in the end of 2020 following the special bill voted in October 2019. Several services are now available for the construction industry representatives due to the system as it serves as register on construction activities. It is intended to cover the entire lifecycle of a construction project, starting from obtaining urban planning conditions and restrictions and concluding with the project's commissioning.

At the same time, users can access the public part of e-construction system – its portal – and check the construction map and information about specific projects. Furthermore, the portal allows individuals to independently verify the status and results of document reviews submitted to the State Inspection of Architecture and Urban Planning.

Since September 2023, the detailed estimate documentation for construction projects funded by state or public funds is also accessible in eConstruction.

Website: <https://e-construction.gov.ua/>



Ukraine: a roadmap to recovery and reconstruction

Renovation and construction: who to get in touch with?



2

DREAM Platform

DREAM is a Digital Restoration Ecosystem for Accountable Management is a state digital ecosystem that provides a single digital pipeline for all reconstruction projects.

The DREAM ecosystem brings together information from government portals, local communities, and key statistical dataset into one single project pipeline to give everyone a complete picture of needs and progress, empowering government, donors and citizens to collaborate more effectively and prioritize on the basis of socio-economic impact.

Coordinated by Ministry for Restoration and Agency for Restoration, DREAM is now operating in pilot mode. A fully functional version is planned for spring 2024. Special Project Office is created to create the platform.

Website: <https://dream.gov.ua/>



3

eRecovery

In May 2023 the Ministry for Communities, Territories and Infrastructure Development of Ukraine (Ministry of Infrastructure) in partnership with the Ministry of Digital Transformation launched the e-recovery service to support people whose homes were damaged because of war with focus to apartments and individual houses at this stage.

The next steps of the program, according to the Ministry of infrastructure could be full repair or reconstruction of residential multistory buildings that have been heavily damaged because of shelling. 41,000 applications has been submitted by Ukrainians as of September 2023, with the highest number coming from the Kharkiv, Kyiv, Mykolaiv, Kherson, and Donetsk regions and 12 000 Ukrainian families received payments for repairing their damaged houses and flats within e-recovery program.

Website: <https://erecovery.diiia.gov.ua/>

Ukraine: a roadmap to recovery and reconstruction

Economy and investments

Despite facing substantial economic challenges in 2022, Ukraine is demonstrating impressive signs of overall economic stabilization in 2023. This positive trajectory has bolstered the country's ability to secure international support.



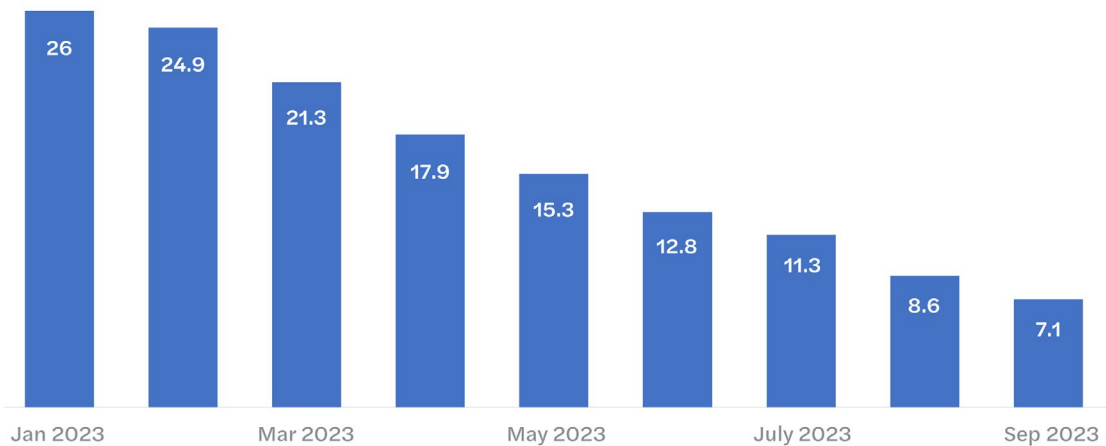
Ukraine: a roadmap to recovery and reconstruction

Economy and investments

The Ukrainian government has successfully gathered significant financial support, allocating \$45.6 billion for state budget financing since February 2022. The sources of financing for the state budget encompass military bonds, loans from international financial organizations, as well as bilateral loans and grants. This multifaceted approach highlights Ukraine's commitment to securing diverse funding channels for its economic recovery.

Key economic indicators for 2023 include an expected GDP growth of 1-3% by the IMF and 4.7% by the Ministry of Finance, marking a significant recovery from the 29.1% decline in 2022. The second quarter of 2023 witnessed a remarkable 19.5% growth compared to the same period in 2022. The inflation rate in September stands at 7.1% year on year, reflecting a substantial decrease from the 26.6% observed over the first eight months of 2023. The National Bank of Ukraine has set the interest rate at 16% (at the end of October 2023), a reduction from the 25% recorded at the beginning of the year. The regulator abandoned the fixed exchange rate of the hryvnia introduced at the beginning of war, and since October 3, implemented a policy of managed flexibility of the exchange rate.

Ukraine Inflation Rate



Source: Trading Economics



Ukraine: a roadmap to recovery and reconstruction

Economy and investments

Key stakeholders



Ministry of Economy

The ministry of Economy shapes and implements Ukraine's state economic, pricing, investment, and foreign economic policies, as well as interdepartmental coordination concerning economic and social cooperation between Ukraine and the European Union.

It leads the sectoral Working Groups for the Ukraine Plan under the Ukraine Facility a new European €50 bn financial instrument for the next 4 years for Ukraine's recovery and reconstruction.

Website: <https://www.me.gov.ua/?lang=en-GB>



Advantage Ukraine

The Advantage Ukraine is the investment initiative of the Government of Ukraine launched in 2022 (a kind of government investment banking). Initially designed as a communication and marketing platform, Advantage Ukraine has ultimately transformed into an investment platform aimed at promoting foreign direct investment and international loan financing in the Ukrainian economy and as an exchange platform between foreign investors looking for projects in Ukraine and the Ukrainian government.

Supported by USAID and managed by the investment banker team, the platform offers several projects in different fields, including agriculture, IT, infrastructure, and others. The US International Development Finance Corporation (DFC) has selected the Advantage Ukraine team as their origination team for projects in Ukraine. The Advantage Ukraine team is also involved in negotiations with international partners on the war risk insurances.

Website: <https://advantageukraine.com/>

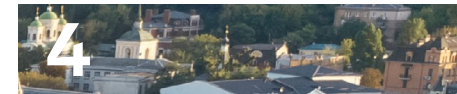


UkraineInvest

UkraineInvest is the Ukrainian government investment promotion office created in 2016 to attract foreign direct investment and assist existing investors to expand their businesses in Ukraine. From its inception as a consultative body reporting to the Prime Minister of Ukraine, UkraineInvest has transformed into a full-fledged government institution in 2018.

Since 2021, UkraineInvest accompanies the investors applying for state support within the law on significant investments that provides state incentives to the investors.

Website: <https://ukraineinvest.gov.ua/>



Export Credi Agency

Government company that is stimulating exports of “made in Ukraine” goods, works and services by providing to the companies the insurances of financial risks that can appear while exporting. The main products of ECA are:

- insurance of foreign economic agreement;
- partner credit program for exporters;
- export credit insurance;
- insurance of bank guarantees/ counter-guarantees.

After adopting law No. 9015 currently on parliaments agenda, the ECA will be able to insure direct investments in Ukraine in export-oriented facilities against war risks.

Website: <https://www.eca.gov.ua/>

Ukraine: a roadmap to recovery and reconstruction

Economy and investments

Investments insurances against war-related risks

Given the limited range of resources and instruments available amid the ongoing conflict and the substantial damage incurred, the quest for an optimal strategy to revive Ukraine's economy should embrace a two-fold approach. This approach involves an expeditious, short-term solution tailored for the wartime circumstances, followed by a comprehensive, long-term strategy to be implemented once the conflict has subsided.

Several institutions and countries have reaffirmed their support for Ukraine's economic recovery by extending investment insurance mechanisms to businesses already operating in Ukraine or seeking to enter the market, including MIGA, US DFC, the UK, Germany, Poland, and France. At the same time the EBRD and Development Finance Institutions (DFIs) from around the world signed during the Ukraine Recovery Conference in June 2023 a Memorandum of Understanding to provide a framework for collaboration when making co-investments in Ukraine, mainly in the private sector, by creating a Ukraine Co-Investment Platform.

	MIGA	DFC	Germany	France	Poland	United Kingdom
	In September 2022, MIGA allocated \$30 million to Ukraine for a political risk insurance pilot project. While the scope of this project is limited, the goal of the pilot is to scale the program in the future. This political risk insurance covers transfer restriction and currency convertibility, expropriation, war and civil disturbance, breach of contract by governments and state-owned entities.	The US DFC offers political risk insurance covering against losses due to currency inconvertibility, political violence, expropriation, arbitral award default, denial of recourse, and non-honoring of sovereign financial obligations. It is already engaged in Ukraine through political risk insurance in the energy and other sectors.	Guarantees on investments in Ukraine through the Investment Guarantee Scheme, administered by the international audit firm PwC. Risks covered are war, expropriation, transfer and conversion risk, and breach of contract.	Bpifrance Assurance Export offers on behalf of the state an investment insurance that protects French investors in Ukraine against war related risk. The risks covered by the instrument include infringement on property rights (inability to exercise investment-related rights, complete or partial asset destruction, impediment to normal operation) as well as non-payment and/or non-transfer of amounts owed to the investor.	Administered via KUKE, Provides investment insurance for Polish companies in Ukraine, including coverage for political risk. The insurance covers losses incurred in connection with the execution of a direct investment abroad as a result of events referred to as political risk and force majeure. It also insures transactions with Ukrainian buyers concerning exports of goods and services and provides transport insurance.	UK Export Finance (UKEF) is providing war risk insurance for British companies that invest in Ukraine and has allocated 200 million pounds for political risk insurance in Ukraine.
Eligible investors	Foreign investors/businesses (including foreign investors/businesses in joint ventures with Ukrainian businesses)	Private sector entities (U.S. and non-U.S. entities), qualifying sovereign entities, private and public insurers	German investors and companies	French companies making investments in Ukraine or credit institutions supporting French investors by providing loans for their investments	Polish companies	UK-based entity
Project amount	US\$1 mln minimum project size; there is no upper limit per project	Per project limit is US\$1 billion, no minimum project size	Not specified	Not specified	Not specified	Not specified
Period	Up to 20 years	From 3 up to 20 years	Up to 15 years (a prolongation up to 20 is possible)	From 3 up to 20 years	Up to 20 years	Up to 15 years
Coverage and retained risk requirement	90% for equity, (10% self-insurance) 90% for debt	90% for equity, (10% self-insurance) 100% for debt	Up to 100%	Up to 95%	Up to 90% of the value of the investment	Up to 90% of the loss value

Ukraine: a roadmap to recovery and reconstruction

Ukrainian tech and IT worth a glance

The Ukrainian IT sector has experienced remarkable growth, emerging as the country's second-largest export industry. Ukrainian IT products and companies have gained a global presence, with several achieving significant recognition and scale on the international stage.

Since 24 February 2022, Ukrainian technology has shown incredible resilience. The IT and technology sector is the only sector that grew in Ukraine in 2022 compared to 2021. IT exports grew by +5.8%, equivalent to \$400 million. Ukrainian companies continue to work, implement projects, pay taxes, attract investment and new customers, and actively enter the global market.

Ukraine: a roadmap to recovery and reconstruction

Ukrainian tech and IT worth a glance

Ukraine's dynamic IT sector in numbers

#1

country in the world where the digital passport is a full equivalent to its paper version

#1

country with the highest number of technology graduates in Europe

#1

country in Eastern Europe by number of outsourced developers

#3

route of cryptocurrency adoption at a global level

#4

in AI globally in terms of technical skills mastery

Top 10

Ukraine is among Top 10 countries in Europe by # of startups per capita

5%

the share of IT and tech in Ukraine's GDP vs 0,3% in 2010

15%

of GDP expected in 2030

360k

tech talents in the IT sector

\$ 7.34bn

in IT services exports in 2022

5.8%

of IT services exports growth in 2022 vs 2021

45%

the share of IT in services exports in 2022 compared to 2.2% in 2010, up X20,7 times

Ukraine: a roadmap to recovery and reconstruction

Ukrainian tech and IT worth a glance

Ukraine has a vibrant technological ecosystem that was growing faster year after year before the war. It covers all possible types of companies: IT service companies working for internal and external markets, product companies, startups, R&D centers of global companies, clusters, associations. The Ukrainian IT industry comprises about 2,300 companies employing more than 360,000 IT professionals.

3000+

Startups & scaleups with the Ukrainian origins, among them Grammarly, Gitlab, Preply, airSlate, PayPal, people.ai

540+

Service IT companies, like Terrasoft, SoftServe, Eleks, Intellias and many others

1,700+

Product IT companies like Creatio, Ajax, Reface, Monobank, Petcube, Genesis

100+

R&D centres in Ukraine, such as Oracle, Dell, Blablacar, Samsung, Rakuten

22

IT Clusters



Ukraine: a roadmap to recovery and reconstruction

Ukrainian tech and IT worth a glance

Key stakeholders

In the realm of key public stakeholders in digital and tech, the Ministry of Digital Transformation of Ukraine is driving state policies concerning digitalization and online services, aiming to boost digital accessibility and the IT industry. On the other hand, the Ukrainian Startup Fund (USF) plays a pivotal role in promoting the growth of tech startups, fostering the vitality of Ukraine's technology ecosystem. Moreover, the tech ecosystem benefits from the contributions of associations, clusters, and ecosystem builders like IT Association, Tech Ukraine, Techosystem, Ukrainian Venture Capital Association (UVCA), and many others.



1

Ministry of Digital Transformation of Ukraine

Established in September 2019, the Ministry of Digital Transformation implements state policy in the field of digitalization, open data, national electronic information resources, interoperability, the introduction of e-services, and the development of digital literacy among citizens.

With a goal to have 100% of state services online and 10% as a share of IT in country's GDP in 2024, the Ministry of digital transformation is implementing Diia an application with IDs and state services for citizens and Diia.City, a special fiscal and legal space for IT companies and startups.

Website: <https://thedigital.gov.ua/>



2

Ukrainian Startup Fund

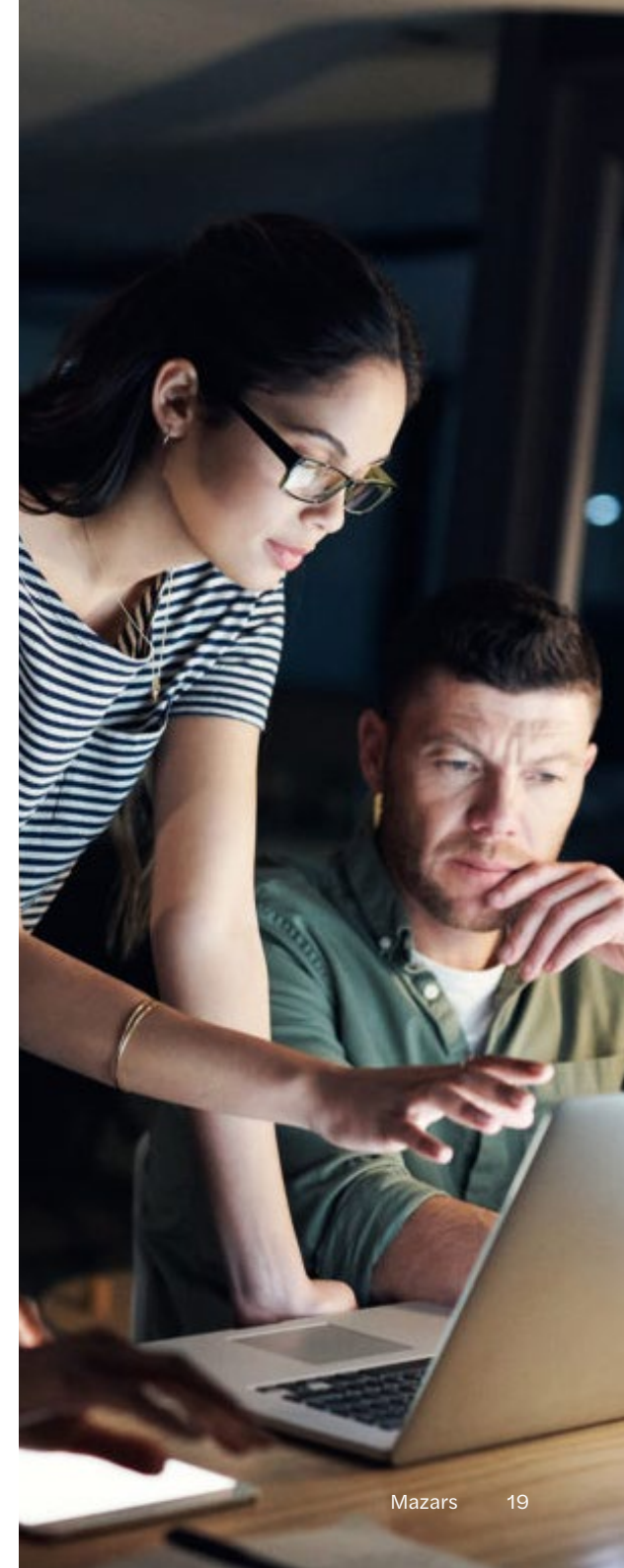
The Ukrainian Startup Fund (USF) is a government body promoting the creation and growth of technology startups in Ukraine at an early stage of development in order to increase their global competitiveness. The launch of USF plays a vital role in bolstering Ukraine's technology ecosystem, promoting it, and fostering its vitality.

The USF:

- supports startups by providing grants on no-equity basis;
- finances startups to participate in a training program of national and international accelerators;
- offers new financial and non-financial opportunities for startups.

Since February 2024, the USF is focusing on dual-use programme and projects in military tech, cybersecurity, reconstruction infrastructure, health, education.

Website: <https://usf.com.ua/en/>



Ukraine: a roadmap to recovery and reconstruction

Ukrainian tech and IT worth a glance

Diia City

Two weeks before the war broke out in a large scale, Ukraine's Ministry of Digital Transformation launched Diia.City, a unique fiscal and legal space for IT companies that makes it easier and cheaper to run a business.

Despite the war, the number of users of Diia.City continues to grow and stands at over 600 businesses as of August 2023.

Please see more detailed info in the chapter on taxes (p. 37).

1. One of the best tax systems in Europe;
2. Common tools for venture capital investment;
3. Favourable employment conditions for IT specialists.



Ukraine: a roadmap to recovery and reconstruction

Funding for reconstruction

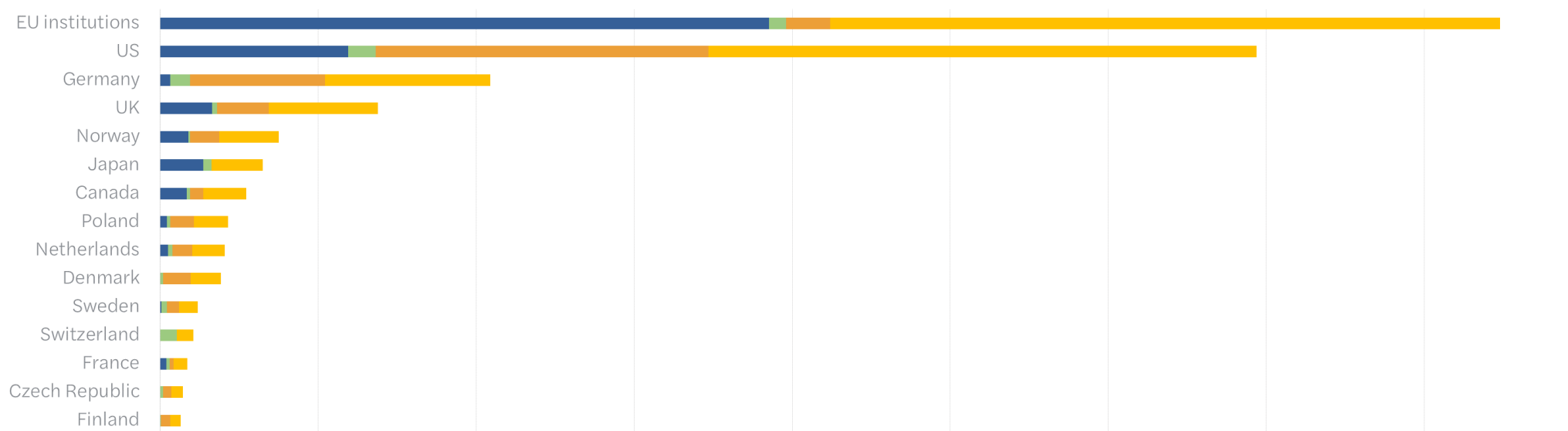
Ukraine has received unprecedented levels of material, moral and short-term macro-financial aid to maintain its financial viability. Businesses, investors and international donors have all pledged support for Ukraine's long-term reconstruction efforts.

Ukraine: a roadmap to recovery and reconstruction

Funding for reconstruction

In total, almost 240 billion EUR have been committed to support Ukraine in military, humanitarian and economic sphere under different financial instruments: grants, loans, guarantees etc. The EU countries and the EU institutions committed around 132 billion EUR, the USA 70 billion EUR and the other donors countries 37 billion EUR.

Military, humanitarian and financial aid promised by governments to Ukraine between January 24, 2022 and through July 31, 2023 (TOP 15 donors), in billion EUR



	EU institutions	US	Germany	UK	Norway	Japan	Canada	Poland	Netherlands	Denmark	Sweden	Switzerland	France	Czech Republic	Finland
Financial	77.1	23.8	1.3	6.6	3.6	5.5	3.4	0.9	1	0.06	0.2		0.8		
Humanitarian	2.1	3.5	2.5	0.6	0.2	1	0.4	0.4	0.6	0.3	0.7	2.1	0.4	0.4	0.08
Military	5.6	42.1	17.1	6.6	3.7		1.66	3	2.48	3.5	1.47		0.53	1.06	1.22

Source: [Ukraine Support Tracker by Kiel Institute for Worlds Economy](#)

Ukraine: a roadmap to recovery and reconstruction

Funding for reconstruction

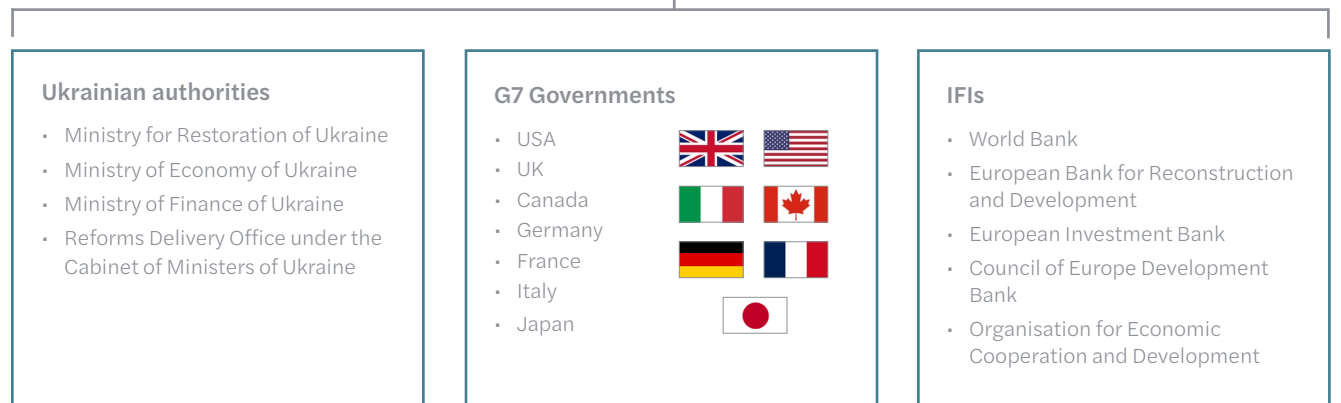
In the beginning of 2023 the [Multi-agency Donor Coordination Platform for Ukraine](#) was launched with its inaugural Steering Committee meeting. It brings together high-level officials from Ukraine, the EU, the G7 countries, as well as partners from International Financial Institutions, notably the European Investment Bank, the European Bank for Reconstruction and Development, the International Monetary Fund and the World Bank, to coordinate efforts to address Ukraine's financing needs, both in the short to medium-term. **The Platform is the primary vehicle for Ukraine to convene with its key partners on recovery and reconstruction planning and assistance.**

Senior officials from the United States, the European Commission, and Ukraine co-chair the Steering Committee, notably Deputy Prime Minister for Restoration of Ukraine - Minister for Communities, Territories and Infrastructure Development of Ukraine Oleksandr Kubrakov, Deputy National Security Advisor for International Economics Mike Pyle on behalf of the United States and Director General Gert Jan Koopman of the Directorate-General for European Neighbourhood Policy and Enlargement Negotiations of the European Commission, on behalf of the European Union.



Multi-agency Donor Coordination Platform for Ukraine

co-chaired by senior officials from



Engaging in Ukraine's reconstruction: a doing business guide

Guide on doing business in Ukraine

Legal aspects of business in Ukraine

- Establishing the presence in Ukraine
- Work permits and visas
- Key currency control restrictions
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Establishing the presence in Ukraine

The short-term projects or operations (such as provisions of selected services) may be conducted without establishing presence in Ukraine. However, the long-term business in Ukraine most cases business in Ukraine could be conducted through the following:

- private entrepreneur;
- limited liability company;
- joint-stock company;
- representative office (branch).

Private entrepreneur

Private entrepreneur (PE) is one of most popular way of conducting a small business by an individual without establishing the separate legal entity.

Key features are:

- the procedure of state registrations is very straightforward, prompt and is free of charge;
- the PE may open bank accounts, conduct a wide range of types of business and hire employees;
- if annual income of PE does not exceed UAH 7,8 million, PE may use simplified tax regime, which includes the payment of a unified tax, as well as simplified accounting and reporting procedures;
- the major disadvantage is that the PE is liable with all owned property in terms of meeting it tax and debt obligations.

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Limited liability company

Limited liability company (LLC) is one of the most widely used corporate forms of legal entities to conduct both small and fairly large business in Ukraine.

Many businesses select LLCs because of the following key features:

- it is easy to establish up (no minimum charter capital, no limitation on the number of shareholders, straightforward and prompt procedure of state registrations, etc).
- liability of shareholders is limited to their contributions to the charter capital of LLCs;
- contributions to charter capital may be in cash and/or in kind;
- the LLCs are highly flexible and provided with wide opportunities for the free building of corporate models, regulating internal corporate relations, as well as using progressive corporate instruments (incorporation and corporate agreements, irrevocable powers of attorney, options, debt-equity-swap, etc);
- the possibility, if necessary, to establish a supervisory board and other governing bodies, determine the list of officials and forms of cooperation with them;
- extensive opportunities for remote control and management of LLC, simplified corporate governance in the case when a shareholder is a single person;
- starting from 2024, it will be possible to record the shares of shareholders of LLC in the Depository System to increase the flexibility of their accounting and security (in fact, as in the case of joint-stock companies).

Joint-stock company

The joint-stock company (JSC) is a legal entity with a charter capital divided into a certain number of shares that may be owned by one person or by many. Shares of JSC should be registered with the Ukrainian National Securities and Stock Market Commission.

This entity is relatively similar to the limited liability company. The key differences are:

- required for certain types of business (e.g., banking, insurance, certain investment activities and energy sectors) or for companies that plan to trade shares on capital markets;
- has a more complicated procedure of establishment and state registration related to the issue of shares;
- JSCs have less flexibility and are more limited by Ukrainian legislation, although they still have wide opportunities for building of corporate models, regulating internal corporate relations, as well as using progressive corporate instruments;
- usually required to have a supervisory board or executive body with controlling members;
- the minimal amount for the charter capital of JSCs is 200 Ukrainian minimal month salary which comes out to UAH 1,340,000 or approximately EUR 35,000 (as of January 01, 2023) (may differ for certain types of business, for example, for banks it is UAH 200 million or approximately EUR 5 million).

Representative office (branch)

Foreign companies can open representative office (branch) in Ukraine for running a business or performing non-business activity. However, compared with the other mentioned options for presence in Ukraine, the operation through representative office (branch) is not enough regulated. In most cases, representative offices (branches) are limited in their independent activities, in the way they conduct business, in the possibilities of its expansion, in the number of employees involved, etc.

The representative office (branche) should be registered with the Ministry of Economic of Ukraine, moreover, both the representative office (branch) and the foreign legal entity should be registered with the tax authorities of Ukraine.

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Work permits and visas

In order to use the labour of foreign employee who are hired or seconded to Ukraine, it is necessary to obtain work permit (WP) for such employee. The specified WP is issued by the State Employment Service for the term of the agreement in accordance with which the labour of the employee is used (maximum term – up to 3 years). Once the WP expires, it may be prolonged an unlimited number of times for a similar period.

There are also special procedures. In particular, the hiring of foreign employees of representative offices (branches) of foreign companies is carried out on the basis of service cards issued by the Ministry of Economy of Ukraine for a period of up to 3 years with the possibility of its re-issuance after the expiration.

In addition, in order to ensure the payment of wages and any other fees to a hired foreign employee, payment of taxes/fees on behalf of the hired foreign employee and for the hired foreign employee, in most cases, it is also necessary for him/her to obtain a Ukrainian tax ID. The specified tax ID is issued by the tax authorities of Ukraine.

Visa requirements for citizens of foreign countries depend on the visa policy of Ukraine in relation

to one or another country. For citizens of the European Union, Switzerland, Great Britain (until January 30, 2024), Ireland, Israel, Canada, the United States of America, Japan, Turkey, Moldova, Georgia and some other countries visa is not required*. At the same time, the period of stay in Ukraine is limited to 90 days within 180 days.

The Ukrainian visa may also be obtained by foreign citizens for the purpose of further obtaining a temporary residence permit in Ukraine (TRP), which will allow to enter and stay in the territory of Ukraine without any other documents or permits during the period of legal grounds for staying in Ukraine, for example, during the term of the valid WP or hiring in a representative office (branche) (the TRP may be extended an unlimited number of times, but only if the foreign citizen has legal grounds for staying in Ukraine, for example, a valid WR or service card).

* [The complete list of countries with which Ukraine has concluded international visa-free agreements, as well as countries whose citizens need a visa to enter and stay on the territory of Ukraine](#)



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Key currency control restrictions

Ukraine maintains a rather restrictive regime of cross-border payments and currency exchange transactions, that are subject to control by National Bank of Ukraine (NBU).

Payments within the territory of Ukraine may be performed only in Ukrainian national currency – hryvnia (UAH).

Bank is able to check tax information about clients and their counterparties.

Outsourcing accountants are obligated to provide primary financial monitoring and to report about suspicious transactions to State Financial Monitoring Service.

Supervision of payment deadlines:

- 180-day limit for import and export settlements in foreign currency;
- applicable for import and export transactions exceeding UAH 400,000;
- in case of detection of artificial fragmentation of the transaction, in order to meet limitation of UAH 400 000, the bank must continue currency supervision.

Movement of currency across the customs border of Ukraine:

- mandatory customs declaration in case of import or export of amounts exceeding EUR 10,000.

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With the beginning of the full-scale military aggression against Ukraine, the NBU, by its Resolution of February 24, 2022, No. 18, introduced stricter measures of currency and capital controls, in particular:

For individuals:

- monthly, limit of UAH 200,000 in the equivalent has been established for the purchase of non-cash foreign currency by individuals, with subsequent placement on deposit for three months or more;
- weekly limit for cash withdrawals from UAH payment cards abroad has been set at UAH 12,500 (in the equivalent) for seven calendar days;
- monthly limit for payments abroad using UAH payment cards was set at UAH 100,000 (in the equivalent) from all accounts opened in the bank in UAH. At the same time, there are no restrictions on payments abroad using accounts opened in foreign currency;
- transfers from UAH payment cards of Ukrainian banks to cards of foreign banks are prohibited;
- monthly limit for transfers from foreign currency payment cards of Ukrainian banks to cards of foreign banks is UAH 100,000 (in the equivalent), which is common for these transactions and for transactions related to "quasi cash" (purchase of cryptocurrencies, replenishment of e-wallets, purchases, etc.);
- transfers of funds abroad are allowed for individuals to pay tuition fees (to the accounts of educational institutions), medical treatment, transportation of patients, death-related expenses, and for the payment of alimony.

For legal entities, cross-border transfers are prohibited, except for those directly specified by the NBU. In particular, the following are allowed:

- cross-border transfers by residents under transactions for the import of goods (products, services, works, intellectual property rights and other non-property rights intended for sale (paid transfer)) specified in the Resolution of the Government of Ukraine of February 24, 2022, No. 153;
- transfers of funds for the purpose of fulfilling the obligations of a resident to a non-resident under sale and purchase agreement of goods concluded between them, if such transfer is carried out at the expense of funds received under a loan (borrowing) from a financial organization or under a sub-loan from the state, for the financing of which the state has attracted a loan (borrowing) from a financial organization;
- cross-border transfers on the basis of individual permits (decisions) of the NBU, which are made on the basis of orders of the Government of Ukraine
- payments for transactions on insurance premiums listed in the Resolution of the NBU of February 24, 2022, No. 18;
- transfers of funds for the purpose of paying interest payments on a loan (borrowing) received by a resident legal entity (borrower) from a non-resident under a loan agreement concluded between them;
- transfers of funds by a resident legal entity to the accounts of its own branches, representative offices and other separate subdivisions without establishing a legal entity opened abroad.



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Specific regulations for the period of martial law

It is also worth noting that for the period of martial law, to stimulate business and simplify its operation, a number of business-related features have been introduced in Ukraine:

- tax and customs formalities have been simplified, and tax and other inspections by state authorities have been limited. Certain migration rules have been simplified too;
- the right to conduct business activities may be acquired by business on the basis of free submission of a declaration on conducting business activities to licensing authorities, permitting authorities and public service providers without obtaining permits, licenses or other results of public services (with minor exceptions);
- most of the terms for businesses to apply for administrative services have been suspended;
- restrictions for banks were introduced, in particular in the part of encumbrance of credit relation;
- possibility of reserving employees liable for military service for the period of mobilization and for wartime was introduced to ensure the uninterrupted operation of certain businesses;
- mechanisms for insurance and compensation of losses incurred by citizens and businesses due to the full-scale military aggression against Ukraine are being developed.



How to understand Ukraine's recovery and reconstruction to start working on it?

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Tax system in Ukraine

Ukrainian taxes and duties are listed in the Tax code of Ukraine. There are two classes of taxes in Ukraine:

1. National taxes, established in the Tax code and are mandatory within the whole territory of Ukraine):
 - corporate profit tax (CPT);
 - personal income tax (PIT);
 - value added tax (VAT);
 - excise tax;
 - ecological tax;
 - rent tax;
 - customs duties.
2. Local taxes and fees, (listed and capped by the Tax code and established by competent local councils. Local taxes are mandatory for payment within the territories of communities. These are:
 - property tax (including land fee, real property tax, and movable property tax);
 - single tax;
 - fee for parking of vehicles;
 - tourist fee.

In addition to the taxes and duties stipulated by the Tax code, Ukrainian taxpayers are required to remit other taxes and duties:

- mandatory social insurance contributions (SIC);
- military tax;
- contribution to the Pension Fund levied on mobile communication services, on the purchase of real estate, and on the first registration of passenger cars in Ukraine.

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Corporate taxes and other direct taxes

In Ukraine, the standard CPT rate of 18% applies to the worldwide income of resident companies. For non-resident companies (and their permanent establishments (PE) in Ukraine) CPT is only payable on income received from Ukrainian sources.

Taxable profit is calculated as financial profit before tax (reported in P&L statement according to Ukrainian GAAP or IFRS) adjusted with certain tax adjustments (depreciation, accruals and provisions, thin capitalization, tax losses, etc.).

Thin capitalization rules apply to loans granted by any nonresidents (the debt-to-equity ratio is 3.5), with exceptions for certain financial and leasing entities.

Tax losses can be carried forward indefinitely with limitations for large taxpayers. Loss carry back is not permitted.

Companies with annual income below UAH 40 million (approx. EUR 1.03 million) are entitled not to apply any tax adjustments (except for tax losses carried forward). A 15% withholding tax (WHT) is imposed on passive income (dividends, interest, royalties) paid to nonresidents.

Payment for services is WHT-exempted (except for engineering). WHT is also levied on other payments to nonresidents, e.g., constructive dividends, alienation of shares in Ukrainian asset-rich companies, freight,

etc. A lower WHT rate or exemption may apply under a double tax treaty (DTT). Ukraine has a wide DTT network (there are more than 70). A "look-through approach" is available. The application of DTT benefits is restricted by a "principal purpose test".

TP rules apply to controlled transactions (CT) with related non-resident parties, and with non-related foreign companies (registered in low-tax jurisdictions, tax transparent). The TP rules apply only if the company's annual revenue exceeds UAH 150 million (approx. EUR 3.9 million), and it had CT with the same counterparty for more than UAH 10 million (approx. EUR 257 K).

Undistributed profits of controlled foreign companies (CFC) are taxed at 18% at the level of Ukrainian company or individual (subject to exemptions). The first reporting period is 2022.

Non-residents operating in Ukraine through PE are required to register with the tax authorities and file their CPT returns.

Sole traders, companies with annual income below UAH 7.8 million (approx. EUR 201 K) and agricultural producers may apply for the simplified taxation system. A special beneficial tax regime, Diia City, is available for IT companies and start-ups.

Transfer pricing in Ukraine		
Arm's length principle	✓	Since 2013
Documentation liability	✓	Since 2013
APA	✓	Applicable to large taxpayers, no cases in practice
Country-by-Country liability	✓	First filed in 2023 for FY ending in 2022 For MNE with income ≥ EUR 750 million (+ other conditions)
Master file-local file (OECD BEPS 13) applicable	✓	May first be requested in 2023 for FY ending in 2021 For MNE with income ≥ EUR 50 million
Penalty		
lack of documentation	✓	3% of the value of controlled transactions, but not more than UAH 536,800 (approx. EUR 13,781) for the 2023 reporting year
tax shortage	✓	25% of tax underpayment; 50% in case of recurrent violation within 1095 days + late payment interest
Related parties	25% <	Direct/indirect or common control; (formalized or defacto); transactions with nonrelated non-residents may fall under TP control
Safe harbours	No	-

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VAT and other indirect taxes

As a non-EU member, Ukraine did not implement the EU VAT Directives.

The standard VAT rate is 20% (14% for the import of some agricultural products; 7% for the supply of pharmaceuticals and some services; 0% for the export of goods, the import of certain goods and services).

The VAT registration threshold is revenue of UAH 1 million (approx. EUR 26 K) over 12 consecutive months. Voluntary registration is available.

Under the general rule, the place of the supply of services is the place where the supplier is registered. However, there are some exceptions (e.g., for consulting, marketing, information services, software development, etc.). The reverse-charge mechanism applies to services provided by a non-resident.

A so-called "Google tax" of 20% is imposed on the provision of electronic services by non-residents to individuals within the customs territory of Ukraine. Ukrainian VAT is administrated through an electronic system. The taxpayer is entitled to issue VAT invoices for the amount within a certain cap.

There are VAT exemptions (tobacco products, gold) and temporary VAT incentives for the supply of certain goods and services (electric vehicles, scrap metals, equipment for renewable energy, etc.).

For the period of martial law, a 7% VAT rate is applied to the import and supply of gasoline, diesel fuel, and similar goods to the territory of Ukraine.

The other indirect tax in Ukraine is excise tax. The excisable goods are spirits, beer, tobacco, petroleum, cars, trailers, motorcycles, and electricity.

VAT options in Ukraine	Applicable / limits
Distance selling	No
Call-off stock	No
VAT group registration	No
Cash accounting – yearly amount in EUR (approx.)	✓
Import VAT deferment	No
Local reverse charge	Imported services
Option for taxation	
letting of real estate	✓
supply of used real estate	No
VAT registration threshold	Revenue of UAH 1 million (approx. kEUR 26) over 12 consecutive months.

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Investment incentives

Recognizing the pivotal role of engaging the private sector in Ukraine, Ukrainian authorities are actively advancing and refining previously introduced initiatives aimed at bolstering investments within the country and promoting private sector growth.

Below, we outline two primary investment incentive initiatives, with the possibility of sector-specific supplementary incentives.



Law on investment projects with significant investments

The "Law on State Support for Investment Projects with Significant Investments in Ukraine," so called Investment Nannies Law, offers a framework for investment projects in Ukraine that meet specific criteria. These projects are entitled to a package of incentives, including a 15-year guarantee of legislative stability, compensation for losses incurred due to state actions, and state support in various forms, amounting to up to 30% of the total investment.

These incentives include:

- **corporate income tax exemption for 5 years¹;**
- **exemption from VAT** for importing new equipment and components to it²;
- **exemption from customs duties** for importing of new equipment and components to it²;
- construction/compensation for built **engineering and transport infrastructure** (highways, communication lines, utilities, etc.);
- lease of state or communal **land plots without land auctions;**
- compensation for **costs of connection to engineering and transport networks**, necessary for the implementation of an investment project with significant investments;
- **land tax exemption/ reduced land tax rates;**
- exemption from compensation for **losses of forestry production.**

¹except for projects in the sphere of extraction for further processing and/or enrichment of minerals.

² provided that the relevant goods were made not earlier than three years before the date of their import and were not used, according to the list and volume that are approved by the Cabinet of Ministers of Ukraine

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After the latest amendments to the law, the eligible projects should meet the following criteria:

12+ mln euro

total recovery and reconstruction needs

10+

new jobs created or more depending on wages

up to 5 years

of project implementation

up to 30%

Possible previous investment up to 30% in pre-project activities such as documentation preparation and land acquisition within 18 months before submission of application

...and

Project envisages construction, modernization, technical and/or technological re-equipment

Project is implemented in one of the areas:

Processing industry

(excluding the production and distribution of tobacco products, alcohol and alcoholic beverages)

Extraction for the purpose of further processing and/or enrichment of natural resources

(except hard coal, lignite, crude petroleum, natural gas)

Postal and courier activities

Arts and culture

Tourism

Electronic communication

Production of biogas and biomethane (including liquefied or compressed)

Waste management

Transportation

Warehousing

Logistics

Education

R&D

Healthcare

Sports

Hospitality

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Industrial Parks

Law of Ukraine “On Industrial Parks” and respective changes to the Tax Code and the Customs Code provide for the system of state incentives for industrial parks. The following incentives are available for initiators of industrial parks, their management companies and participants (resident companies):

- 10 years income tax exemption;
- import VAT exemption for of new equipment;
- exemption for customs duties taxation of new equipment imported;
- compensation for connecting to engineering grids;
- favorable land tax rates might be granted for participants of industrial parks by decision of a local government;
- full or partial compensation of interest rates on loans;
- non-refundable financing for arranging an industrial park and/or construction of related infrastructure facilities.

These incentives cover the following spheres of activities:

- processing industry;
- recycling of industrial and/or household waste (except for waste disposal);
- R&D;
- activities in the IT sector and telecommunications.



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Diia City regime

The Diia City is a special legal and tax regime for the IT industry, providing a set of measures to stimulate the development of the high-tech industry and in general all types of IT activities in Ukraine. The Diia City regime is implemented for at least the following 25 years and secures number of tax and legal benefits for the IT industry.

Tax benefits

Labor taxes	Stimulation of investments	Income taxation
<ul style="list-style-type: none"> • 5% personal income tax (PIT) – on salaries up to 240k EUR per individual per year (the exceeding amount is subject to 18% PIT); • 22% social security contribution based on a minimal salary (e.g., 22% from 6.7k UAH as of 1 January 2023); • 1.5% military tax. 	<ul style="list-style-type: none"> • 0% PIT on dividends received from the resident company, subject to their payment not more than once per every 2 years; • PIT discount on the amount of investment in Ukrainian startups. 	<ul style="list-style-type: none"> • 9% on exit capital tax OR 18% CPT – can be chosen by “Diia city” resident.



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GIG contracts and other legal benefits

Diia City residents may choose the most convenient employment model: to hire talents as workers, contractors (PE) or GIG specialists. In particular, the latest model allows:

- employ GIG specialists based on conditions established by GIG contract (disregarding labor code requirements);
- provide GIG specialists with some social guarantees (paid and sick leaves, social benefits and social insurance);
- agree on a non-standard time, specific remuneration arrangements, benefits and other specific provisions for the GIG specialists (GIG Contracts are very flexible);
- benefit from simplified migration requirements and requirements for the use of foreign labor (only during wartime in Ukraine).

In addition, Diia City regime provides for a fully legal opportunity to conclude NDAs, NCAs, and a number of other non-standard corporate opportunities and additional guarantees for companies in the protection of investments and intellectual property. Industry is still expecting additional amendments to legislation scrutinizing the impact of the enforcing authorities on Diia City residents.

Requirements for a Diia City resident

The mentioned benefits of the Diia City regime may be obtained by legal entities registered under Ukrainian legislation, meeting the entry and stay criteria and providing the following IT activity:

- software development and testing, including games;
- publishing and distribution of software, including SaaS;
- teaching computer literacy, programming, testing, software technical support;
- digital marketing and ads using software developed by residents;
- R&D in IT and Telecom;
- cybersport;
- providing services related to the virtual assets flow;
- cybersecurity;
- robotics;
- providing of data center services.

Entry and stay criteria

IT companies (outsourcing, R&D, product)		Startups
Company conducts at least 1 IT activity allowed under Diia City		
Absence of the “negative” criteria (absence of Russian residents or residents of countries on the FATF blacklist in the ownership structure, absence of sanctions or the company's status in liquidation, etc.) and confirmation of compliance with Diia City resident's requirements		
90% of income is received from selected IT activities		
Average monthly salary is more than EUR 1200	Startup is registered at least 24 months before the date of application	
The average monthly number of employees and gig-specialists is more than 9.	Annual income is not more than approximately UAH 8 million	

However, during the martial law period, failure to meet the criteria does not result in deprivation of the status of a Diia City resident but is a ground for temporary suspension of tax benefits.

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Personal income tax / Social security system

The flat PIT rate of 18% is imposed on both active income (e.g., employment, benefits in kind) and passive income (e.g., interest, royalties, investment income) for residents and non-residents.

Tax residents of Ukraine pay PIT on their worldwide income. Non-residents pay PIT on their Ukrainian source income. Dividends are subject to 9% PIT, except for dividends distributed by Ukrainian CPT payers, which are subject to 5% PIT. For the specific types of passive income, the tax rates of 5% and 0% may apply.

There is a temporary military levy (until the completion of the military reform) at a rate of 1.5% that applies to all income subject to PIT.

During martial law, the income and gains of combatants and individuals living in combat areas

received from charitable organizations are PIT exempt. Also, financial support provided to law enforcement officers and military personnel is not subject to military levy.

A reduced PIT rate of 5% applies to salaries of individuals employed by Diia City residents, to remuneration of gig-experts and to author's remuneration.

Most forms of active income fall under the scope of social security contribution (SSC) with an employer's contribution of 22%; there is no employee's contribution. The minimum monthly SSC is UAH 1,474 (approx. EUR 38), the maximum monthly SSC is UAH 22,110 (approx. EUR 566).

Wage related taxes in Ukraine	Minimum wage		Average wage in private sector		
	Exchange rate UAH/EUR	in EUR	in UAH	in EUR	in UAH
	39.0	172	6,700	372	14,500
Total wage cost		210	122%	454	122%
	Social contribution tax	8	22%		22%
Gross salary		172	100%	372	100%
	Personal income tax	31	18%	67	18%
	Military tax	3	1,5%	6	2%
Net salary		138	80%	298	80%



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