Engaging in Ukraine's reconstruction: a doing business guide

forvis mazars

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

Now in its fifth year, the ongoing war is still a humanitarian, economic, and environmental crisis. According to the International Monetary Fund, after a sharp contraction of 28.8% in 2022, Ukraine's economy rebounded with 5.5% growth in 2023 and continued expanding by around 2.9% in 2024, followed by moderate growth of approximately 2% in 2025, reflecting sustained resilience under wartime conditions. This reflects positive dynamics, indicating that businesses are continuing to operate, though significant efforts are still required to restore the economy to pre-invasion levels.

Millions of people have been displaced within the country or have fled abroad. The state's infrastructure, including energy, transport networks, and critical sectors – particularly agriculture and industrial commodities – has been severely damaged. The effects of the conflict have far-reaching consequences beyond Ukraine. Despite these challenges, the Ukrainian government and its people continue to demonstrate perseverance, unity, and a strong commitment 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 of 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 costs, loss of revenue for authorities and private sector, and other.

The needs represent the total value associated with returning to pre-war 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.

Ukraine: a roadmap to recovery and reconstruction

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

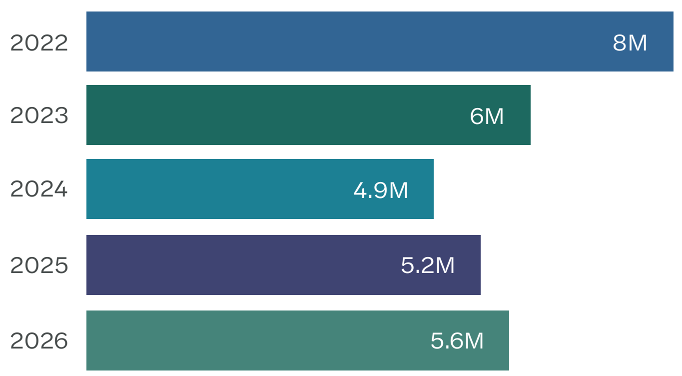
The most comprehensive estimations of damage, losses, and needs are outlined in the Rapid Damage and Needs Assessment (RDNA) reports, conducted jointly by the World Bank Group, the Government of Ukraine, the European Union services, and the United Nations, in coordination with humanitarian and development partners, academia, civil society organizations, and the private sector.

To date, five editions of the RDNA have been released, and the latest of which covers the period between 24 February 2022 and 31 December 2025.

As of January 2026, the number of Ukrainians remaining abroad under temporary protection is estimated at 5.6 million people. This is 400,000 more than the data from the beginning of 2025.

At the same time, as of January 2026, 3.7 million Ukrainians are internally displaced persons within Ukraine, according to the International Organization for Migration (IOM).[1]

Ukrainians abroad under temporary protection



Source: Centre for Economic Strategy

[1] International Organization for Migration

As of 31 December 2025, total damage is estimated at USD 195 billion, with housing, transport, and energy sectors most affected. Socioeconomic losses have risen to USD 667 billion, driven largely by disruptions to commerce, industry, public services, and livelihoods. Recovery and reconstruction needs continue to grow and are now estimated at USD 588 billion over a 10-year horizon, equivalent to almost three times Ukraine's 2025 GDP.

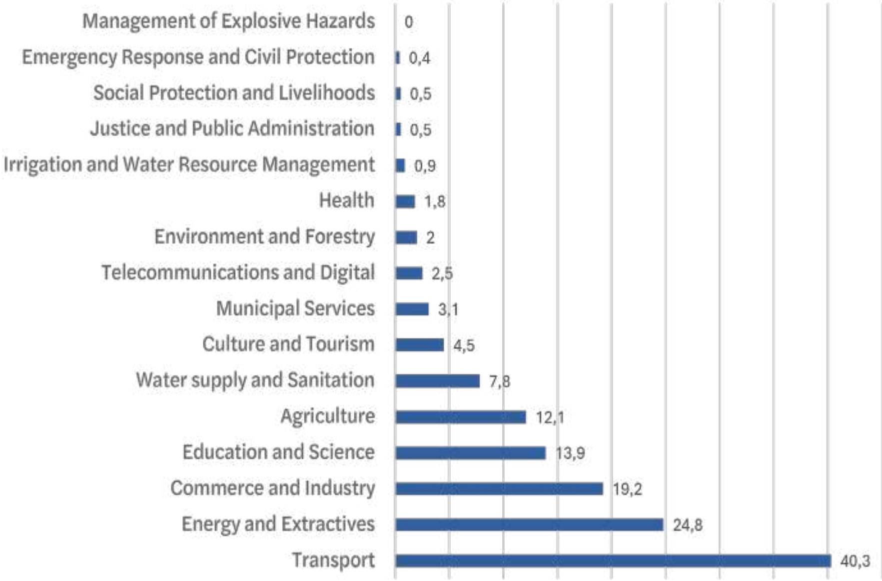
USD 195 billion

direct damage to buildings and infrastructure

74% of the total damage incurred in 4 sectors:

- **Housing:** total damage is estimated at **USD 61.1 billion**. This makes it one of the most impacted sectors: 14% of the total housing stock is being damaged or destroyed, affecting more than 3 million households.
- **Transport:** extensive damage amounts to **USD 40.3 billion**. Damage covers rail and road networks, bridges, ports, airports and Ukraine's air navigation system, urban public transport assets, and associated equipment.
- **Energy:** the energy sector reports damages of **USD 24.8 billion**, covering electricity generation, transmission and distribution infrastructure, gas system, district heating networks, oil facilities, and coal mining assets.
- **Commerce and Industry:** total damage is estimated at **USD 19.2 billion**, mainly relating to industrial facilities, commercial buildings, equipment, and inventories, with industry accounting for about 85% of total damage.

Total damage by sector as of 31 December 2025 (USD billion)



Source: The fifth Rapid Damage and Needs Assessment (RDNA5), February 2026

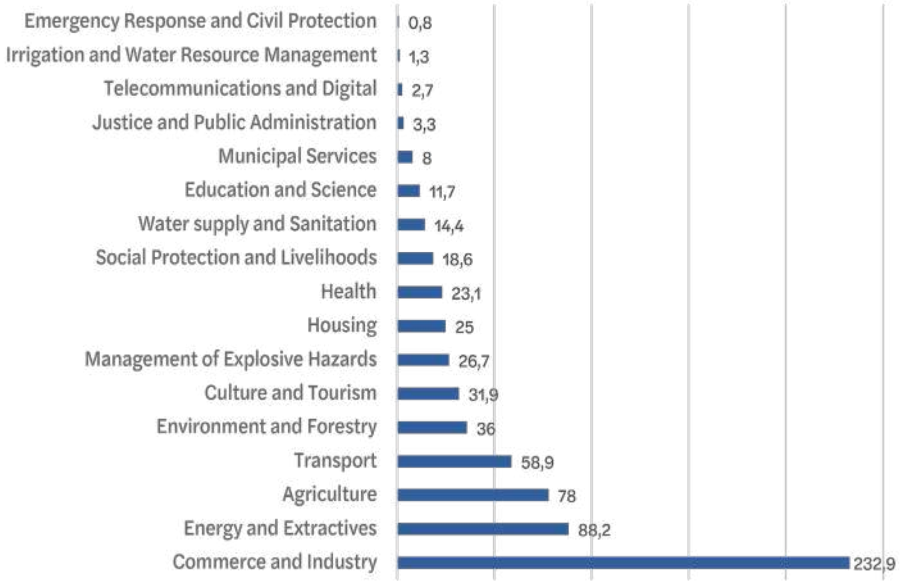
The destruction of residential buildings, social facilities, schools, power grids, and road infrastructure creates enormous needs for short-term reconstruction (modular cities, hospitals, schools), as well as reflection on new approaches to long-term reconstruction: new technologies, sustainable approaches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

According to RDNA 5, socioeconomic losses are estimated at USD 667 billion, which reflects the extensive and prolonged disruption to economic activity, public services, and livelihoods nationwide. Losses continue to be dominated by the commerce and industry sector, where they amount to USD 233 billion. Other sectors with large losses are the energy and extractives sector, with losses of USD 88 billion, agriculture, with losses of USD 78 billion, and transport, with losses of USD 59 billion.

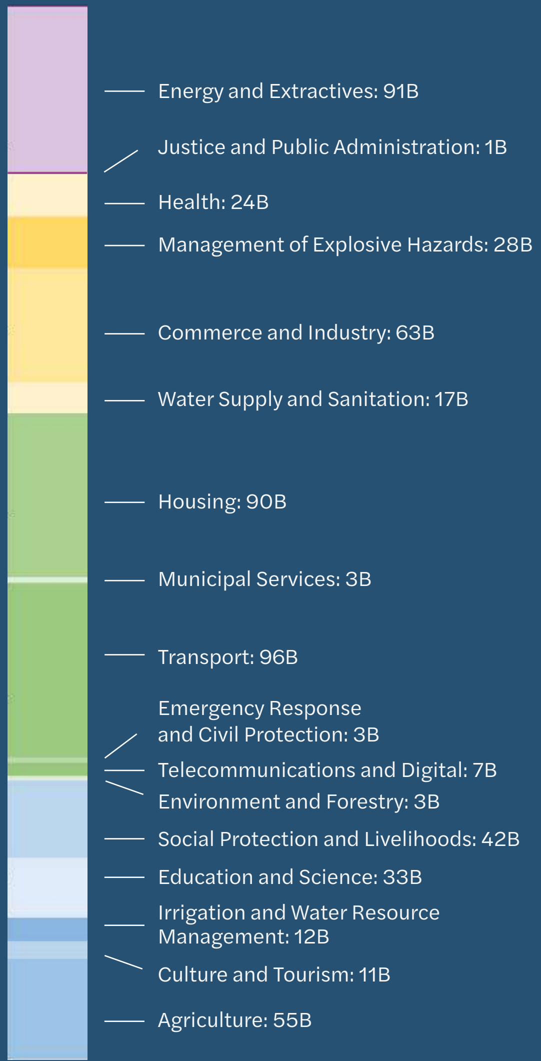
These losses capture the cascading effects of damaged infrastructure, the high cost of maintaining critical services under challenging conditions, and the contraction of productive capacity across the economy.

In keeping with the spatial distribution of damage, losses are concentrated in frontline oblasts and major metropolitan areas.

Total losses by sector as of 31 December 2025 (USD billion)



Source: The fifth Rapid Damage and Needs Assessment (RDNA5), February 2026



Note: Total recovery and reconstruction needs by sector as of 31 December 2025 (USD billion)

Source: The fifth Rapid Damage and Needs Assessment (RDNA5), February 2026

Total recovery and reconstruction needs are estimated at USD 588 billion over the 10-year horizon 2026–2035, equivalent to almost three times Ukraine's 2025 gross domestic product (GDP). Needs are highest in the transport sector, totalling USD 96.3 billion and reflecting extensive destruction of roads, railways, bridges, and logistics infrastructure. Needs are next highest in the energy and extractives sector, where they amount to USD 90.6 billion and reflect widespread damage to generation, transmission, and distribution systems. Housing needs amount to USD 89.8 billion due to the large-scale destruction of residential stock. Other sectors facing significant increases in recovery needs include water supply and sanitation, energy and extractives, transport, and telecommunications, digital, and media.

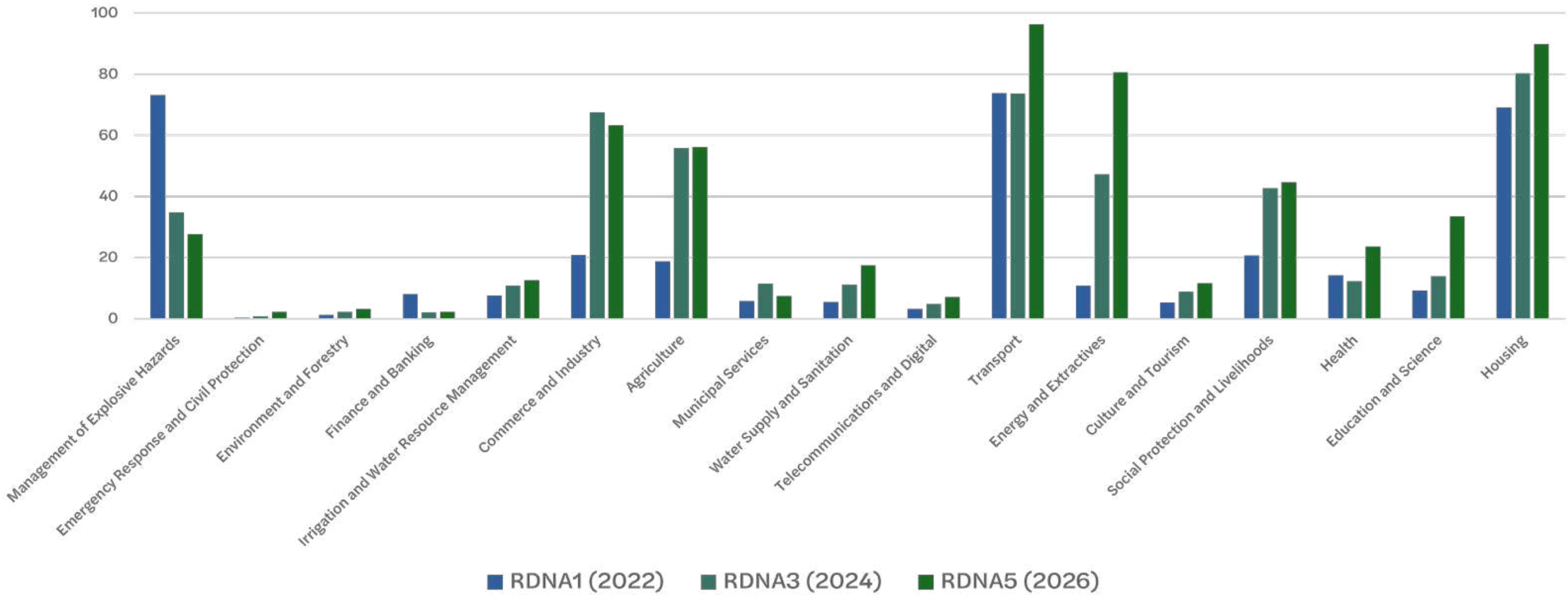
The scale and diversity of affected sectors continue to generate substantial demand for private sector engagement in recovery and reconstruction. The latest assessment (RDNA5) further emphasizes that **private investment could cover up to 40% of total recovery needs over the next decade**, provided that key structural reforms are implemented to improve the business environment and access to finance.

Reconstruction remains largely driven by the private sector, including the execution of projects in the public domain at national and local levels, as well as the restoration, operation, and expansion of private facilities across Ukraine. The resilience of domestic businesses has been continuously highlighted as a critical factor in sustaining economic activity during the war and enabling early recovery.

Following the previous assessments (RDNA1–4), the Government of Ukraine, supported by international partners and with the involvement of the private sector, has addressed a significant share of urgent needs. As of the end of 2025, **at least USD 20 billion in recovery needs have already been met** through emergency repairs and early recovery interventions across key sectors such as housing, energy, education, and transport.

For 2026, the Government has identified **priority recovery and reconstruction needs of approximately USD 15.25 billion,** covering housing, energy systems, demining, and broader economic support programs, with about one-third of financing already secured.

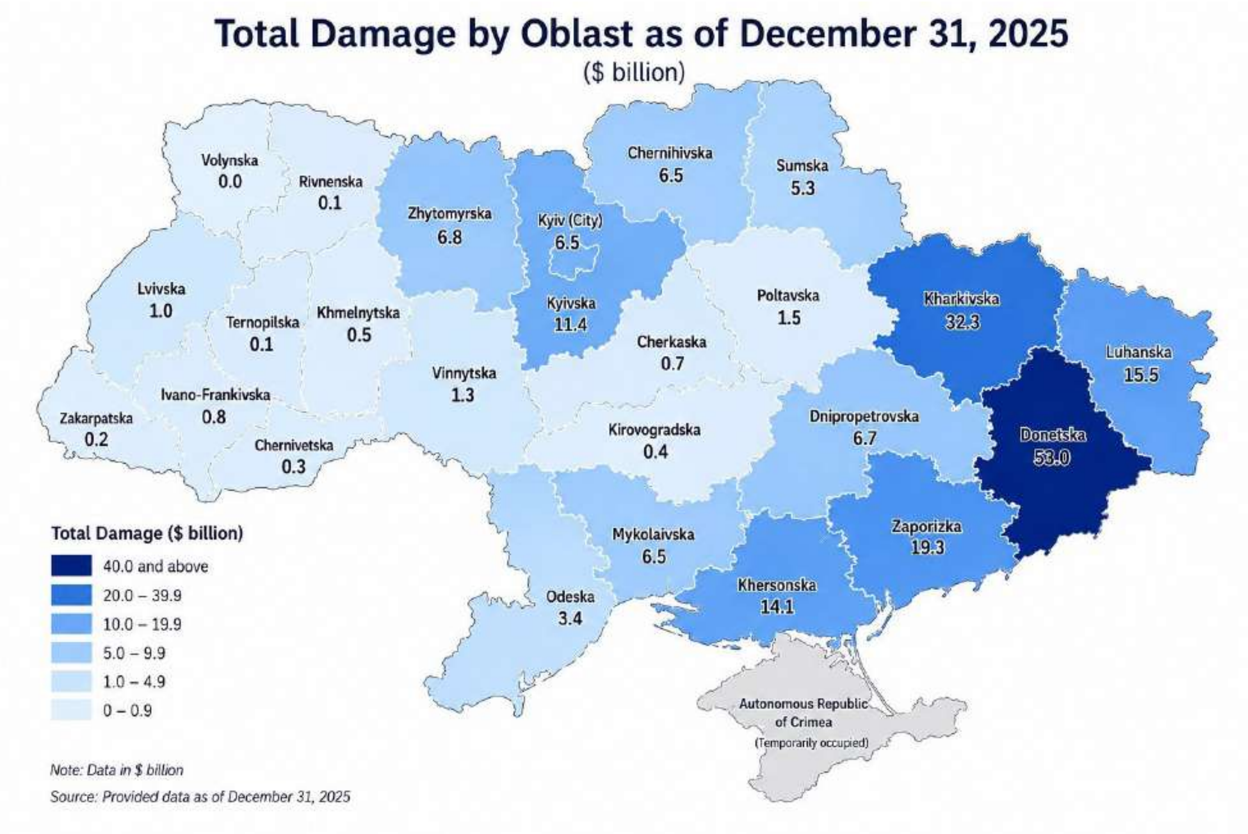
Comparison of needs by sector in RDNA1, RDNA3, and RDNA5 (USD billion)



Regional impact

In the initial phase of the full-scale invasion in late February and early March 2022, active hostilities affected a broad geographic area, spreading across at least ten regions of Ukraine. Over time, the intensity and geographic concentration of the conflict shifted. As of early 2026, active hostilities remain primarily concentrated in the eastern and southern regions, particularly in Donetska, Luhanska, Kharkivska, Zaporizka, and Khersonska oblast, where frontline dynamics and regular attacks continue to cause significant damage to infrastructure and civilian assets.

The accompanying map illustrates the regional distribution of total recorded damages, highlighting a clear spatial concentration of destruction in frontline and previously occupied territories. The highest levels of damage are observed in eastern and southern regions, reflecting prolonged exposure to intense military activity, occupation, and repeated attacks on critical infrastructure. In contrast, central and western regions show comparatively lower levels of damage, although they have also experienced strikes, particularly targeting energy and transport infrastructure.



Ukraine: a roadmap to recovery and reconstruction

Renovation and construction: who to get in touch with?

Ukraine’s recovery and reconstruction are a complex process, involving general economic recovery, business development, infrastructure and utilities restoration, housing reconstruction, and the application of "building back better" principles. Additionally, as Ukraine is an EU candidate, the recovery requires alignment with EU policies and standards, leading to the involvement of a wide range of stakeholders and instruments. Below, we outline key players and initiatives essential for the efficient coordination and execution of the 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 Development of Communities and Territories of Ukraine

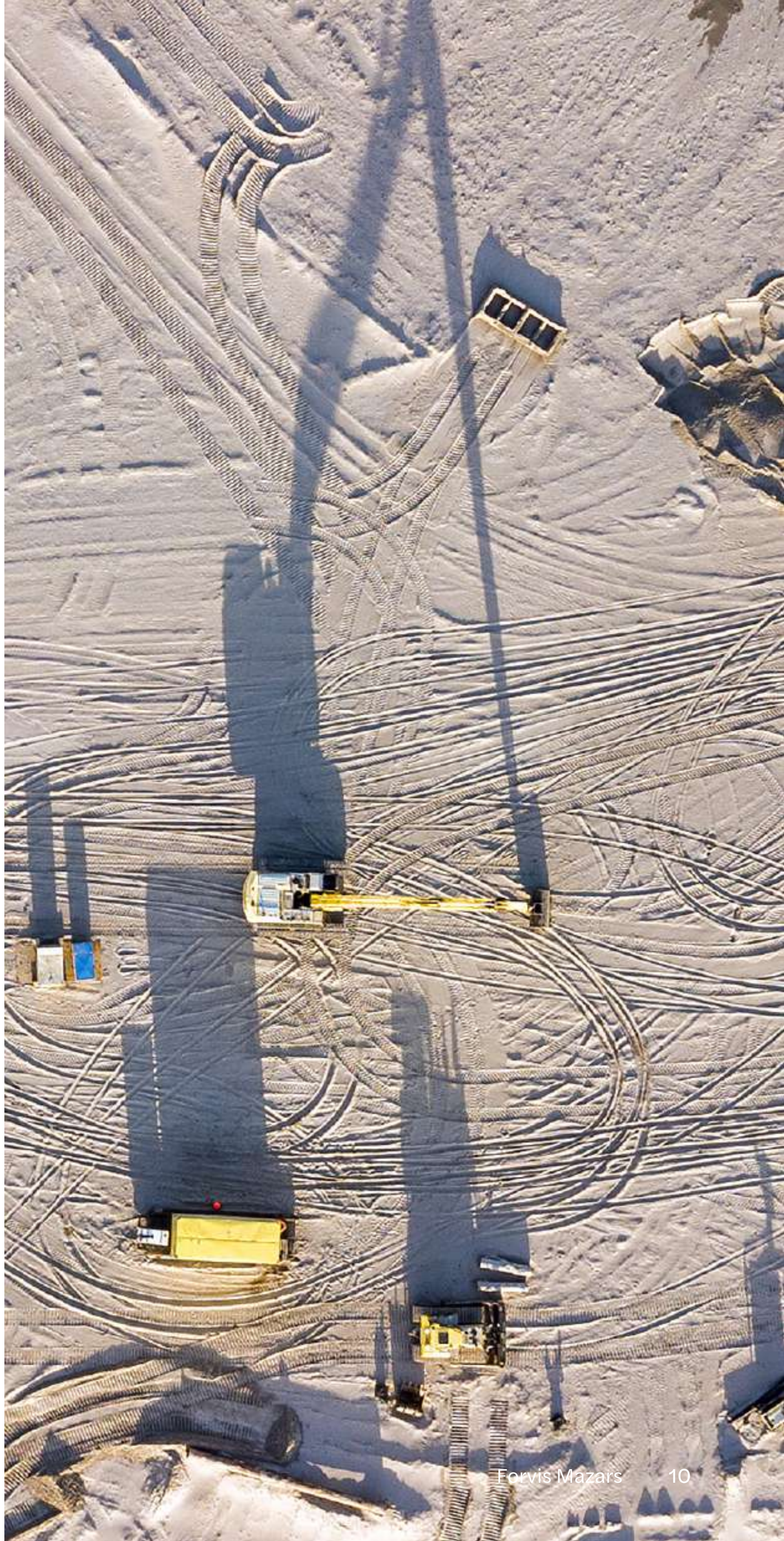
The Ministry for Development of Communities and Territories of Ukraine is the central executive body responsible for the formation of state policy in the areas of transport, infrastructure development, housing, and communal services, as well as reconstruction and regional development.

The main tasks of the Ministry today are stimulating regional development, ensuring energy efficiency, restoring territories after Russia's armed aggression, as well as developing local government and spatial planning. The Ministry coordinates work on transport safety and regulation of the construction industry by introducing new standards and building regulations.

The Ministry defines and implements 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 crossing points of the state border;
- globally, restoration of regions, territories, and infrastructure affected by Russian aggression.

Website: https://mindev.gov.ua/en



Renovation and construction: who to get in touch with?

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 governments bodies (territorial 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 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

Renovation and construction: who to get in touch with?

Territorial Communities

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

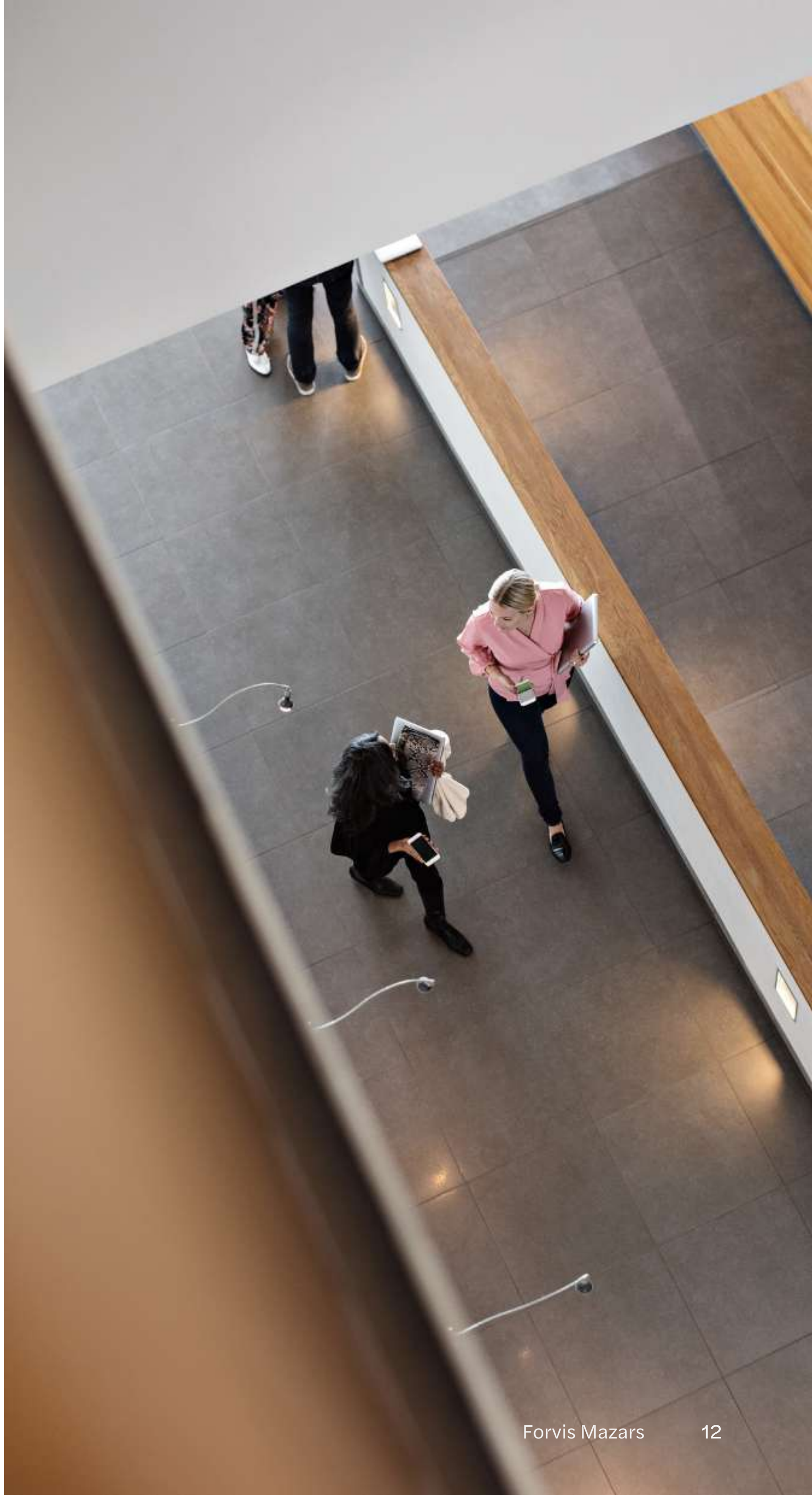
Local communities and their governments play a key role in initiating reconstruction projects for housing, utilities, water and waste management, sanitation, energy efficiency, education and health infrastructure. Many international partner programs provide funding for projects of varying complexity and scale within these communities to support regional recovery and development.

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



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, a unique digital portal of state services. Several tools are especially useful for restoration projects.

DREAM Platform

Ukraine is actively implementing Public Investment Management (PIM) reform to strengthen the planning, allocation, and monitoring of public funds. Public investment plays a central role in Ukraine's recovery, long-term development, and progress toward EU accession.

DREAM, a Digital Restoration Ecosystem for Accountable Management, is a state digital ecosystem initiated in 2023 that provides a single digital pipeline for all reconstruction and modernization projects across Ukraine. The platform collects, organizes, and publishes open data in real time across all stages of the project cycle, ensuring high standards of transparency, accountability, and oversight.

DREAM serves as a single entry point for recovery projects initiated by Ukrainian communities and public authorities. It supports transparent and efficient implementation at the national, regional, and local levels, while enabling projects to be filtered by sector, location, type (construction, rehabilitation, equipment), initiator, status, and type of funding.

The platform is developed by the Ministry for Development of Communities and Territories of Ukraine, the Agency for Restoration, the DREAM Project Office based on the Open Contracting Partnership with the support of Transparency International Ukraine and the Better Regulation Delivery Office in close cooperation with civil society and international partners.

The main reconstruction projects, including those funded by international partners, are published on the platform. DREAM enables international partners to explore Ukraine's public investment priorities and direct aid toward strategic projects. Many international financial institutions and development finance institutions increasingly expect public investment and recovery projects in Ukraine to be structured and presented through the DREAM platform, as it serves as the government's official public investment management system and provides the transparency, preparation standards, and traceability typically required for consideration under financial instruments and funding programs.

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

Renovation and construction: who to get in touch with?

eConstruction System

Unified State Electronic System in the Construction Industry (eConstruction) is a nationwide information system designed to streamline the construction process in Ukraine to ensure maximum transparency and prevent corruption by providing public access to construction-related information. Its implementation started at the end of 2020 following the special bill voted in October 2019. Several services are now available to construction industry representatives due to the system as it serves as a register of 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 the eConstruction 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 via eConstruction.

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

eRecovery or eVidnovlennya

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

As of May 2026, over 3 years of its functioning, almost 200,000 Ukrainian families have received government funds through the eRecovery program for housing repairs or the purchase of new homes to replace those destroyed by military action. The program offers two types of funding: targeted funds for repairing slightly damaged homes and "housing certificates" for purchasing new homes when properties are completely destroyed and beyond repair. The total disbursed funds have exceeded UAH 90 billion (~ EUR 2 billion). All services under the program are provided entirely online through the Diia app, ensuring broad public access while maintaining transparency, speed, and efficiency.

In addition to housing restoration, the program promotes the development of local communities affected by military action and supports local businesses, as the funds received under the eRecovery program can only be used at construction stores and contractors registered through the Diia portal. A significant share of these contractors are entrepreneurs who create jobs and pay taxes within their communities.

Website: https://erecovery.diia.gov.ua/

Ukraine: a roadmap to recovery and reconstruction

Economy and investments

Despite the severe economic shock caused by Russia's full-scale invasion in 2022, Ukraine demonstrated notable resilience, returning to growth in 2023 with GDP expanding by approximately 5.5%. Economic activity continued to recover through 2024–2025, supported by the gradual restoration of logistics, energy infrastructure adaptation, renewed private sector activity, and sustained international support.

While overall output remains below pre-war levels, key sectors, including construction, energy, defence manufacturing, IT, agribusiness, and logistics, have shown strong adaptive capacity and growing investment potential.

At the same time, Ukraine's reconstruction is creating one of Europe's largest long-term investment and modernization agendas. Beyond physical rebuilding, the recovery process is accelerating structural reforms, EU market integration, digital transformation, energy decentralization, and industrial modernization, opening significant opportunities for international businesses, investors, and strategic partnerships.

Economy and investments

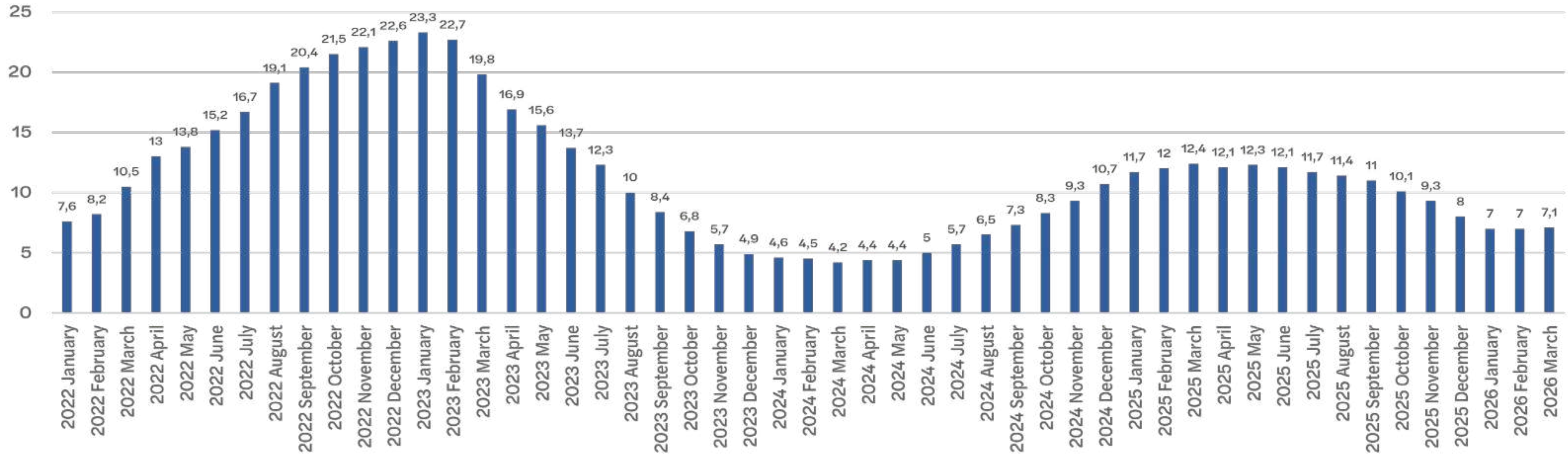
Economic stability in Ukraine remained resilient through 2024–2025 despite ongoing wartime challenges, supported by prudent macroeconomic policies and sustained international assistance. Following strong recovery growth of 5.5% in 2023, real GDP growth moderated to an estimated 2.9% in 2024 and approximately 2% in 2025, reflecting a transition to more constrained expansion.

Inflation, which declined significantly in 2023, eased to 7.4% in January 2026 despite continuous pressures from energy and supply disruptions. The exchange rate regime continued to operate under managed flexibility, introduced in October 2023 by the National Bank of Ukraine, contributing to relative currency stability and preservation of external balances.

Ukraine maintained strong access to external financing. By the end of October 2025, globally, donor countries had committed EUR 431.5 billion in financial, humanitarian, and military assistance, in the form of loans, grants, and guarantees.

According to the National Bank of Ukraine, as of 1 January 2026, Ukraine's international reserves amounted to USD 57.3 billion, the highest level over the entire history of independent Ukraine. Ongoing government efforts to strengthen the financial sector and improve access to financing for businesses are expected to support medium-term economic recovery and resilience.

Ukraine Inflation Rate 2022-2026, in %



Source: Trading Economics

Economy and investments

Key stakeholders

Ministry of Economy, Environment and Agriculture of Ukraine

The Ministry of Economy, Environment and Agriculture of Ukraine shapes and implements Ukraine's state economic, pricing, investment, human resources, environmental, agricultural, and foreign economic policies, as well as interdepartmental coordination concerning economic and social cooperation between Ukraine and the European Union.

The Ministry also leads the Ukraine Plan implementation under the Ukraine Facility, a new European EUR 50 billion financial instrument until 2027 for Ukraine's recovery and reconstruction.

The Ministry also serves as the central body for approving investment incentives for private companies under special regulations for investment projects. Additionally, it coordinates the work of Ukraine's Export Credit Agency, which provides insurance for export activities and investment projects aimed at export-oriented companies.

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

Information on Ukraine Facility: https://www.ukrainefacility.me.gov.ua/en/

UkraineInvest

UkraineInvest is the Ukrainian government investment promotion office created in 2016 to attract foreign direct investment and assist existing investors in expanding 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 investors applying for state support within the law on significant investments that provides state incentives to them.

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

Export Credit Agency

The Export Credit Agency (ECA) is a government institution that stimulates exports of "Made in Ukraine" goods, works, and services by providing companies with the insurances for financial risks that can appear while exporting or investing in export-oriented projects.

The main products of the ECA are:

- export credit insurance;
- insurance of bank guarantees / counter-guarantees;
- direct investment insurance against war and political risks;
- insurance of foreign economic agreements;
- partner credit program for exporters.

Since 2024, the ECA has been authorized to insure direct investments in export-oriented facilities in Ukraine against war-related risks. The ECA can insure investment projects undertaken both by Ukrainian and foreign investors, provided that the investment is made in Ukraine and targets export-oriented production.

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

Economy and investments

Financial instruments for economic recovery

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.

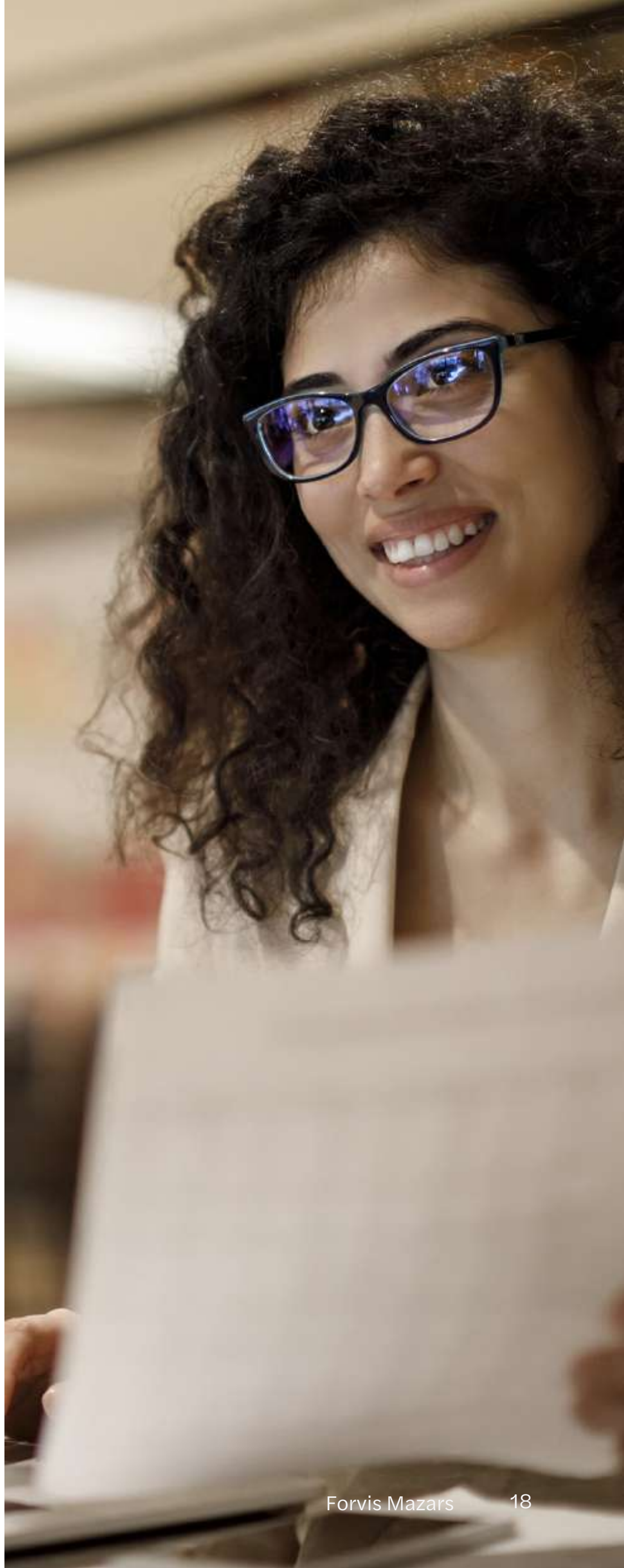
Ukraine's international partners, along with EU Member States, offer various programs and assistance to mitigate business risks and strengthen the private sector's role in Ukraine's recovery and reconstruction:

- **Guarantees:** These are used by bilateral and multilateral development agencies to cover an agreed portion of a loan in the event of non-payment. By reducing an investor's risk exposure, these guarantees help increase capital flow into Ukraine.
- **Risk Insurance:** This provides protection to investors and businesses against various risks, including political risks, war, adverse government actions, and sovereign payment defaults.
- **Export Credit:** This can involve direct financial support, such as loans to foreign buyers or interest-rate subsidies, as well as insurance or guarantee coverage to protect exporters from losses due to economic or political events, ensuring they receive payment even in case of defaults.

A broad range of European countries and multilateral institutions offer export support mechanisms to foreign and Ukrainian businesses seeking to engage with Ukraine and contribute to its economic recovery. In parallel, investment insurance solutions are being introduced to strengthen investor confidence and promote capital inflows into the country.

The EU's **Ukraine Investment Framework (UIF)** is a key financial component of the EUR 50 billion Ukraine Facility, designed to incentivize public and private investments for Ukraine's recovery and reconstruction. The UIF is equipped with a financial package of approximately EUR 9.5+ billion, both in guarantees and blended finance.

The framework operates through multilateral financial institutions and national development banks, offering coverage for risks associated with public and private investment operations. These include loans, guarantees, counter-guarantees, capital market instruments, other forms of funding or credit enhancement, insurance, and equity or quasi-equity participation. The total amount of funds allocated to the programs as of March 2026 is EUR 8.4 billion, 43% of these funds are directed toward supporting the private sector.



Investments insurances against war-related risks

Several multilateral institutions and countries' governments 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, UK, France, Canada, Italy, Japan and many others. In the table below we provide some examples of investment insurance mechanisms.

	MIGA	DFC	Germany	France	Poland	United Kingdom	Denmark
	As of September 1, 2023, MIGA has been a proactive provider of insurance in Ukraine. This political risk insurance covers transfer restriction and currency inconvertibility, expropriation, war and civil disturbance, breach of contract by governments and state-owned entities. MIGA's guarantees serve as a key risk mitigation tool, ensuring the continuity of private sector operations and investments for the country's recovery.	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.	As a part of Danish Ukraine Fund, Export and Investment Fund of Denmark established in March 2023 a Ukraine Facility, which is a loan and guarantee scheme with a capacity of DKK 1 billion (app. USD 146 million). The facility enables the provision of long-term loans and guarantees for Danish export to and investments in Ukraine.
Eligible investors	Foreign investors/businesses (including foreign investors/ businesses in joint ventures with Ukrainian businesses)	Private sector entities (US and non-US 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	Danish investors in Ukraine
Project amount	USD 1 mln minimum project size; there is no upper limit per project	Per project limit is USD 1 billion, no minimum project size	Not specified	Not specified	Not specified	Not specified	Not specified per project, total package is EUR 135 mln
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	Not specified
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	Up to 100%

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 was among the few sectors of the Ukrainian economy that maintained growth despite the full-scale war. In contrast to other industries, the IT sector's export revenue remained strong, even as overall export dynamics shifted.

The total volume of Ukraine's IT market is estimated at USD 7.85 billion – representing the combined spending of businesses and the government on software and IT services. Of this, at least USD 1.25 billion comes from the domestic market. The IT industry has a high value-added component and already accounts for around 3.2% of Ukraine's GDP.

Ukrainian tech and IT worth a glance

Ukraine’s dynamic IT sector in numbers

The Ukrainian technological ecosystem covers diverse company types: IT service firms serving local and global markets, product companies, startups, and R&D centers of global companies, clusters, associations. As of 2025, more than 305,000 IT professionals and 2,200+ active verified IT companies were operating in Ukraine, indicating that the industry has maintained its structural integrity despite four years of full-scale war, as well as the overall decline in global investment in the technology sector and the slowdown in the growth of the global tech market.

The Diia ecosystem serves **23 million** users and offers over **160 online services.**

USD 7.85 bn
IT market volume in 2025

305,000
Tech talents working in the IT sector

2,200+
Verified companies operating in the IT sector

3.2%
Share of GDP created by the IT sector

41.6%
Share of IT in services exports in 2025

99.63%
Level of digitalization of public services

Source: Code of the Economy 2025 Report

Ukrainian tech and IT worth a glance

In 2025, the Ukrainian startup ecosystem comprised approximately 2,700 active civilian and dual-use startups. According to the Global Startup Ecosystem Index 2025, Ukraine ranked 42nd in the world, and its startup ecosystem grew by 26.2% over the year. The most represented sectors are DefenceTech, EdTech, MedTech, GreenTech, AgroTech, and GovTech, reflecting both the country's internal needs and global technological trends.

2,700
Active civilian and dual-use startups

1,500+
Defence tech companies operating in Ukraine in early 2026

26.2%
Startup ecosystem growth in 2025

USD 6.8 bn+
R&D centres in Ukraine, such as Oracle, Dell, BlaBlaCar, Samsung, Rakuten

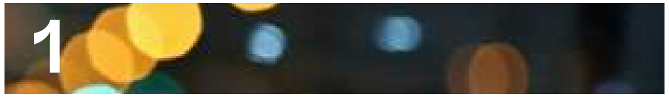
USD 129 mn
Attracted by Ukrainian defence tech companies in 2025

Source: Code of the Economy 2025 Report; KSE The Ukrainian defense technology market Report 2026; Ukraine's Defense Tech Industry: by Numbers - 2026

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 Ukraine Association, TechUkraine, Techosystem, Ukrainian Venture Capital Association (UVCA), Diia.City Union, Diia.City United, and many others.



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 the goal of having 100% of state services online and 10% share of IT in the country’s GDP, the Ministry of Digital Transformation is implementing Diia, an application with IDs and state services for citizens and companies and Diia.City, a special fiscal and legal space for IT companies and startups.

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

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.

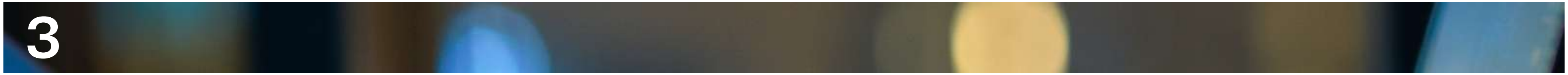
The USF:

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

Since February 2022, the USF has been focusing on dual-use programmes and projects in military tech, cybersecurity, reconstruction infrastructure, health, and education.

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

Ukrainian tech and IT worth a glance



Brave1

Brave1 is Ukraine's government-backed defence technology cluster launched in 2023 to accelerate the development, testing, and deployment of military innovations. The initiative was jointly established by the Ministry of Digital Transformation, the Ministry of Defence, the General Staff of the Armed Forces, the Ministry of Economy, the Ministry of Strategic Industries, and the National Security and Defence Council. The platform serves as a central coordination hub connecting defence tech startups, manufacturers, investors, engineers, and the military.

Key functions and priorities of Brave1 include:

1. Supporting the development and scaling of Ukrainian defence technologies.
2. Providing grants, testing opportunities, certification, and military expertise.
3. Facilitating direct cooperation between innovators and defence forces.
4. Accelerating battlefield deployment of new technologies.
5. Supporting sectors such as drones, robotics, AI, electronic warfare, cybersecurity, communications, and autonomous systems.
6. Operating Brave1 Market — a digital procurement platform for military units.
7. Promoting international cooperation and attracting foreign defence technology companies to Ukraine.

Since its launch, Brave1 has become a central pillar of Ukraine's rapidly expanding defence innovation ecosystem and a key institutional platform supporting the country's transition toward a modern, technology-driven defence industry.

Website: https://brave1.gov.ua/en/

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 4,000 residents and 148,000 specialists as of the beginning of 2026.

Please see more detailed information on Diia.City advantages in the chapter on taxes (p. 45).

1. One of the best tax systems in Europe.
2. Common tools for venture capital investment.
3. Favourable employment conditions for IT specialists.
4. Additional advantage in obtaining the status of critically important businesses for further booking employees liable for military service from mobilization.

Ukrainian tech and IT worth a glance

Defence City

At the end of 2025, the Government of Ukraine launched Defence City, a special legal and economic regime to accelerate the growth of the domestic defence industry and scale weapons production. Introduced under the coordination of the Ministry of Defence, the initiative aims to strengthen Ukraine's long-term defence manufacturing capacity, attract private and international investment into the sector, and support the development of advanced military and dual-use technologies.

The regime offers a range of incentives and protections for resident companies, including:

1. Corporate income tax exemptions for reinvested profits.
2. Exemptions from land, property, and environmental taxes.
3. Simplified customs and foreign currency procedures.
4. State support for relocation and protection of production facilities.
5. Enhanced confidentiality and information security measures for manufacturers.
6. Improved conditions for cooperation with international partners and investors.

To obtain Defence City resident status, a company must apply to the Ministry of Defence of Ukraine and be included in the official Defence City Register. Eligibility is voluntary but subject to special criteria, including that at least 75% of a company's revenue must come from defence-related activities (50% for aircraft manufacturers). Eligible residents include Ukrainian legal entities involved in the production, development, repair, modernization, or servicing of defence and dual-use technologies. The Ministry of Defence is responsible for reviewing applications, granting resident status, and monitoring compliance.

Defence City reflects Ukraine's broader shift toward building a modern, innovation-driven defence economy. The initiative institutionalizes wartime industrial innovation and supports the rapid expansion of domestic production in areas such as drones, defence technologies, and dual-use manufacturing, positioning Ukraine as an emerging European hub for defence innovation and industrial resilience.

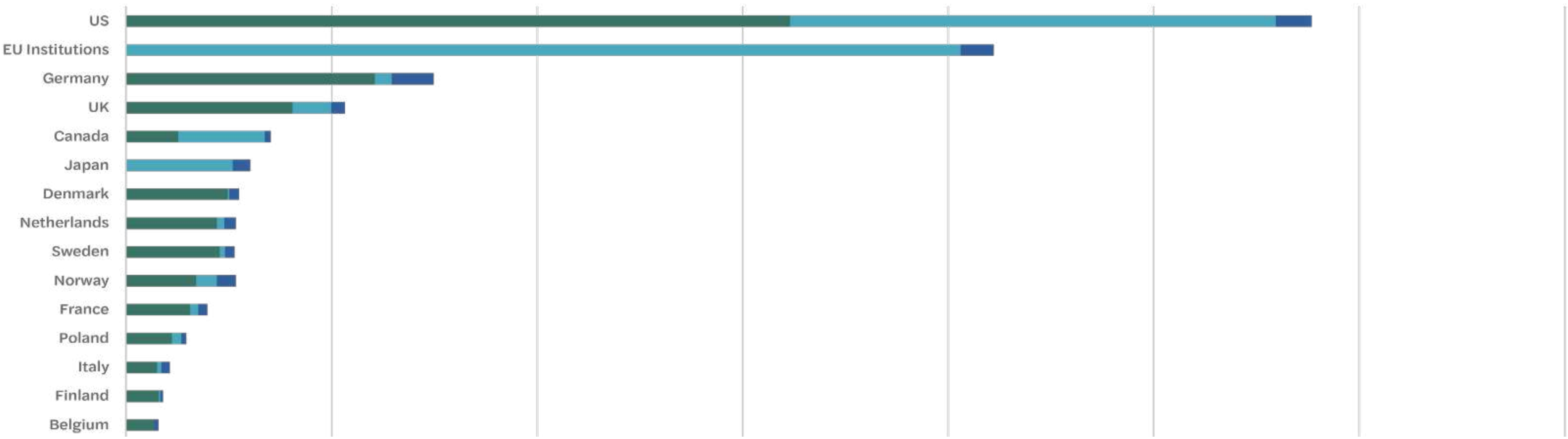
Funding for reconstruction

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.

International assistance to Ukraine in 2025 was shaped by a clear shift in the structure of donor contributions. Two opposing dynamics defined the year: a sharp reduction in United States involvement and a substantial increase in European support. In the period 2022–2024, the U.S. had been a key provider of assistance, delivering on average EUR 17.3 billion annually in military aid and EUR 13.3 billion per year in financial and humanitarian support in real terms.

In 2025, U.S. assistance was suspended, resulting in a near-complete decline in American support. This reduction, however, was largely offset by a substantial increase in European contributions compared to average annual levels in 2022-2024. Military support from European donors rose by 67%, while non-military assistance increased by roughly 59%. As a result, the overall volume of aid remained broadly stable despite the withdrawal of the United States. At the same time, the burden of military assistance has become more concentrated among a limited group of countries, whereas financial and humanitarian support is increasingly channelled through EU-level institutions.

Military, humanitarian and financial aid allocated by governments to Ukraine between 24 January 2022 and through 30 April 2026 (TOP 15 donors) (EUR billion)



	US	EU Institutions	Germany	UK	Canada	Japan	Denmark	Netherlands	Sweden	Norway	France	Poland	Italy	Finland	Belgium
Military	64,6	0	24,21	16,2	5,07	0	9,9	8,85	9,1	6,8	6,23	4,45	3	3,17	2,74
Financial	47,3	81,21	1,65	3,75	8,42	10,38	0,12	0,72	0,53	2,04	0,8	0,91	0,41	0,16	0
Humanitarian	3,47	3,21	4,07	1,36	0,6	1,71	0,96	1,12	0,91	1,85	0,88	0,5	0,83	0,28	0,41

Source: Ukraine Support Tracker by Kiel Institute for Worlds Economy

Funding for reconstruction

Multi-agency Donor Coordination Platform for Ukraine

At 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 and medium term. The Platform is the primary vehicle for Ukraine to convene with its key partners **on recovery and reconstruction planning and assistance**. Its goal is also to direct resources in a coherent, transparent, and inclusive manner, enabling efficient planning and delivery of assistance to Ukraine and avoiding duplication.

Senior officials from the United States, the European Commission, and Ukraine co-chair the Steering Committee of the Ukraine Donor Platform. The Secretariat operates both in Brussels and Kyiv. The Brussels office is hosted by the Directorate General for European Neighbourhood Policy and Enlargement Negotiations of the European Commission. The Kyiv office is hosted by the Reform Delivery Office of the Cabinet of Ministers of Ukraine.

Website: https://ukrainedonorplatform.com/about/

Business Advisory Council

Private sector engagement is key to Ukraine's successful recovery and reconstruction, the Business Advisory Council (BAC) was launched at the June 2024 Ukraine Recovery Conference in Berlin. Each member of the Platform's Steering Committee, including temporary members, nominates one representative, with additional members appointed by the co-chairs.

The BAC will provide expert advice, business insights, and solutions to improve Ukraine's investment climate and attract private sector investment. It will also advise on strengthening small and medium enterprises, including women-led businesses and social impact investors, which are critical to long-term recovery. Private sector input will help identify areas for improvement in the business environment, provide feedback on reform priorities, and highlight obstacles to investment.

Website: https://ukrainedonorplatform.com/business-advisory-council/

Funding for reconstruction

Financing Ukraine’s recovery: the role of IFIs and DFIs

International Financial Institutions (IFIs) and Development Finance Institutions (DFIs) play a central role in Ukraine’s financing ecosystem by providing capital that bridges the gap between purely commercial finance and non-repayable donor support. Operating with longer investment horizons and development-oriented mandates, these institutions are able to assume risks that private lenders are often unwilling to bear under current conditions. Their involvement also enhances the credibility of projects and helps mobilize additional private sector investment. They also play a key role in the Ukraine Investment Framework under Ukraine Facility by European Union.

The section below presents selected examples of IFIs and DFIs currently active in Ukraine.

Name of the organization	Focus sectors	Financing instruments available for Ukraine
Agence Française de Développement (AFD)	Building the resilience of cities and regions, supporting civil society, contributing to private sector recovery, promoting multi sector technical cooperation	Loans, grants, guarantees, and technical assistance
Bank Gospodarstwa Krajowego (BGK)	Infrastructure, energy, manufacturing, transport and logistics, financial services, municipal investments, SMEs / MSMEs	Portfolio guarantee, BGK investment loan with EU guarantee, technical assistance
Deutsche Investitions- und Entwicklungsgesellschaft mbH (DEG)	Agrifood, transport and logistics, energy, utilities, manufacturing, information, communications and technologies, financial services	Direct loans, grants, technical assistance
European Bank for Reconstruction and Development (EBRD)	Infrastructure, SMEs, climate and environment, private sector development, agrifood, energy, utilities, green transition	Loans, equity investments, guaranties and risk-sharing facilities
European Investment Bank (EIB) and European Investment Fund (EIF)	Public and social infrastructure, transport and logistics, energy	Loans, guaranties, equity, grants, technical assistance, SME access to finance
Export and Investment Fund of Denmark (EIFO)	Building the resilience of cities and regions, supporting civil society, contributing to private sector recovery, promoting multi sector technical cooperation	Loans, grants, guarantees, and technical assistance
Impact Fund Denmark (IFD - former IFU)	Private sector: energy, financial services, healthcare, agrifood	Loans, guarantees, and investment support to Danish exporters, investors, and foreign partners
International Finance Corporation (IFC)	Agriculture and processing, transportation and logistics, energy, utilities, construction materials, manufacturing, information, communications and technologies; financial services, social infrastructure	Trade finance and other guarantees, technical assistance

Funding for reconstruction

Korporacja Ubezpieczeń Kredytów Eksportowych (KUKE)	Construction, energy, steel and metallurgy, machinery, transport	Export credit insurance, investment insurance and political risk cover, trade and infrastructure support programs, war-risk and transport reinsurance
Kreditanstalt für Wiederaufbau (KfW)	Energy and nature conservation, sustainable economic development and TVET, housing, (social) infrastructure and services	Concessional funding, grants, loans, and fund-based investment tools
Nordic Environment Finance Corporation (NEFCO)	Green recovery, energy efficiency, municipal infrastructure, clean energy - repair and reconstruction of water supply, wastewater management, heating, electricity, housing, schools and health facilities	Environmental and green recovery financing, blending grant, trust-fund financing, loans, and technical support
Proparco (France)	Financial services, agriculture and agrifood, energy and utilities	Grants, loans, co-financing with IFIs, investment fund financing, SME support via long-term funding / credit lines
Swedfund International AG (Swedfund)	Energy, utilities (renewables), climate and green investments, infrastructure, agrifood, financial services, manufacturing, information, communications and technologies, tech	Private sector: loans, equity

Since 2022, international financial institutions have been supporting real-time recovery efforts in Ukraine across critical sectors, particularly energy and municipal infrastructure. Significant investments have already been directed toward emergency energy resilience measures, including decentralized generation, renewable solutions, and grid stabilization, while municipalities in relatively secure regions continue advancing reconstruction of transport systems, district heating, and water infrastructure. This demonstrates a broader transition toward a model of "live reconstruction," where recovery, modernization, and resilience-building are happening simultaneously despite ongoing wartime conditions.

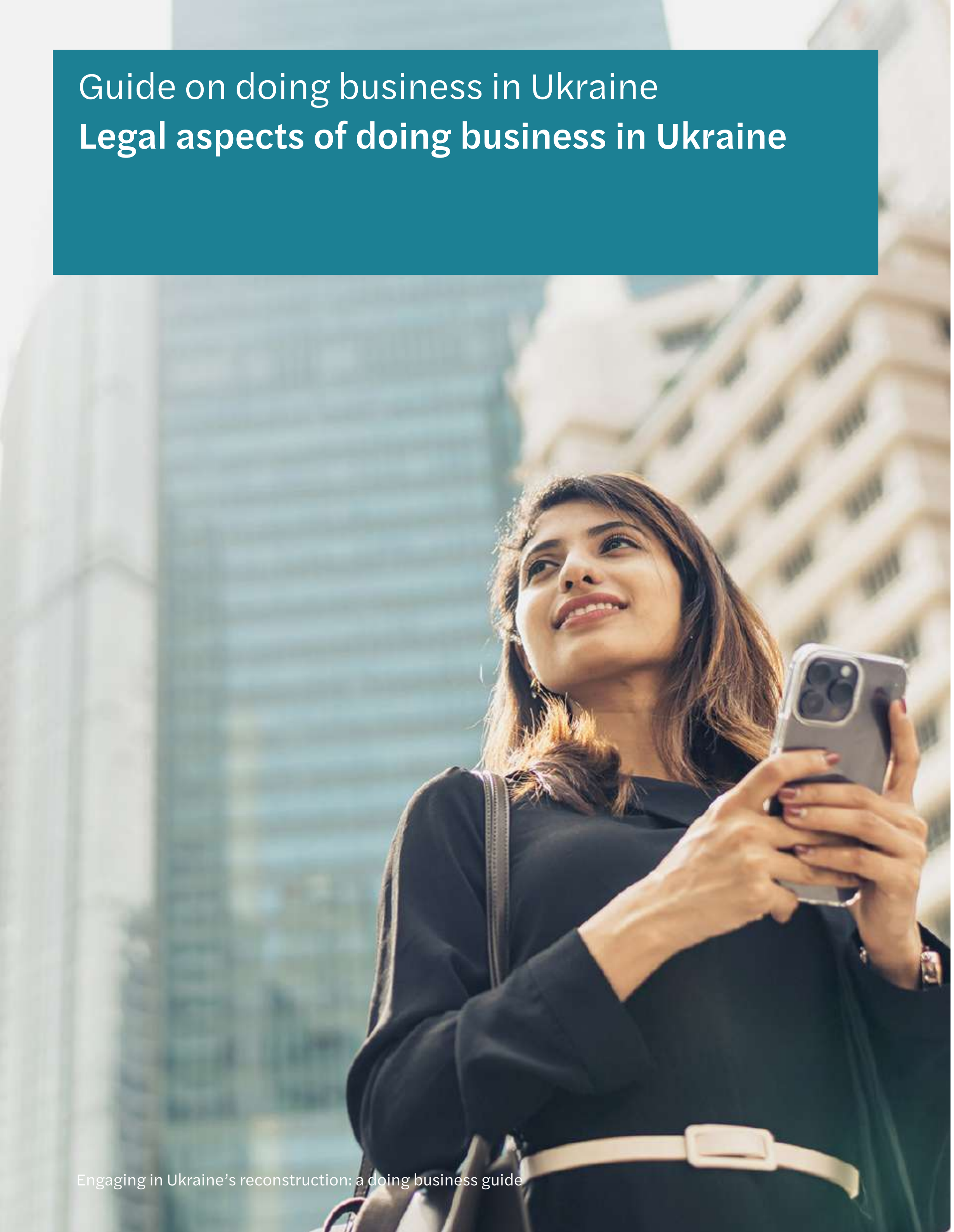
Guide on doing business in Ukraine

Legal aspects of business in Ukraine

- Establishing the presence in Ukraine
- Work permits and visas
- Key currency control restrictions
- Specific regulations for the period of martial law

Guide on tax in Ukraine

- Tax system in Ukraine
- Corporate taxes and other direct taxes
- VAT and other indirect taxes
- Investment incentives
- Personal income tax / Social security system



Guide on doing business in Ukraine
Legal aspects of doing business in Ukraine

Establishing the presence in Ukraine

The short-term projects or operations (such as provisions of selected services) may be conducted without establishing a presence in Ukraine. However, in the case of long-term business in Ukraine, in most cases it 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 the most popular ways of conducting a small business by an individual without establishing a 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 a PE does not exceed certain limits (depending on the applicable PE tax group, with the most common in Ukraine being Group 3, which in 2026 has an annual income threshold of UAH 10.1 million) PE may use a 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 its tax and debt obligations.

Moreover, since September 2024, Ukraine has launched an e-residency program that allows foreigners (individuals) to remotely conduct business in Ukraine as a private entrepreneur to foreign markets in certain areas: IT, media, marketing, creative industries, and others. They may open bank accounts, receive other services, and pay taxes without being physically present in the country. The program is currently available to citizens of India, Pakistan, Thailand, and Slovenia.

Legal aspects of doing business in Ukraine

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. The 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 for 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 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 minimum amount for the charter capital for JSCs is 200 Ukrainian minimum monthly salaries which comes out to UAH 1,729,400 or approximately EUR 34,731 (as of 1 January 2026) (may differ for certain types of business, for example, for banks it is UAH 200 million or approximately EUR 5 million).

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 businesses in Ukraine.

Many businesses select LLCs because of the following key features:

- it is easy to establish (no minimum charter capital, no limitation on the number of shareholders, straightforward and prompt procedure of state registration, 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 an LLC, simplified corporate governance in the case when a shareholder is a single person;
- the possibility of recording the shares of shareholders of LLC in the Depository System, similar to joint-stock companies, to increase the flexibility of their accounting and security.

Representative office (branch)

Foreign companies can open a 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 their expansion, in the number of employees involved, etc.

The representative office (branch) is subject to separate state registration, moreover, both the representative office (branch) and the foreign legal entity should be registered with the tax authorities of Ukraine.

Work permits and visas

In order to use the labour of foreign employees who are hired or seconded to Ukraine, it is necessary to obtain a 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 extended an unlimited number of times for a similar period.

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, a 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 them 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 (branch) (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 WP 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

Key currency control restrictions

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

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

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

Outsourcing accountants (as well as other obligated entities for primary financial monitoring as defined by law, including but not limited to banks, insurance companies, financial institutions, etc) are obligated to provide primary financial monitoring and to report about suspicious transactions to the State Financial Monitoring Service.

Supervision of payment deadlines:

- 180-day limit for most 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 the 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.

Legal aspects of doing business in Ukraine

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

For individuals:

- a 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;
- a weekly limit for cash withdrawals from UAH payment cards abroad has been set at UAH 12,500 (in the equivalent) for seven calendar days;
- a 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;
- cross-border transfers from Ukraine, including transfers from UAH payment cards of Ukrainian banks to foreign bank cards, are generally prohibited unless they fall within the specific exceptions established by NBU Resolution No. 18;
- a 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;
- there are restrictions on the purchase of jewelry and cooperation with real estate agents abroad.

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

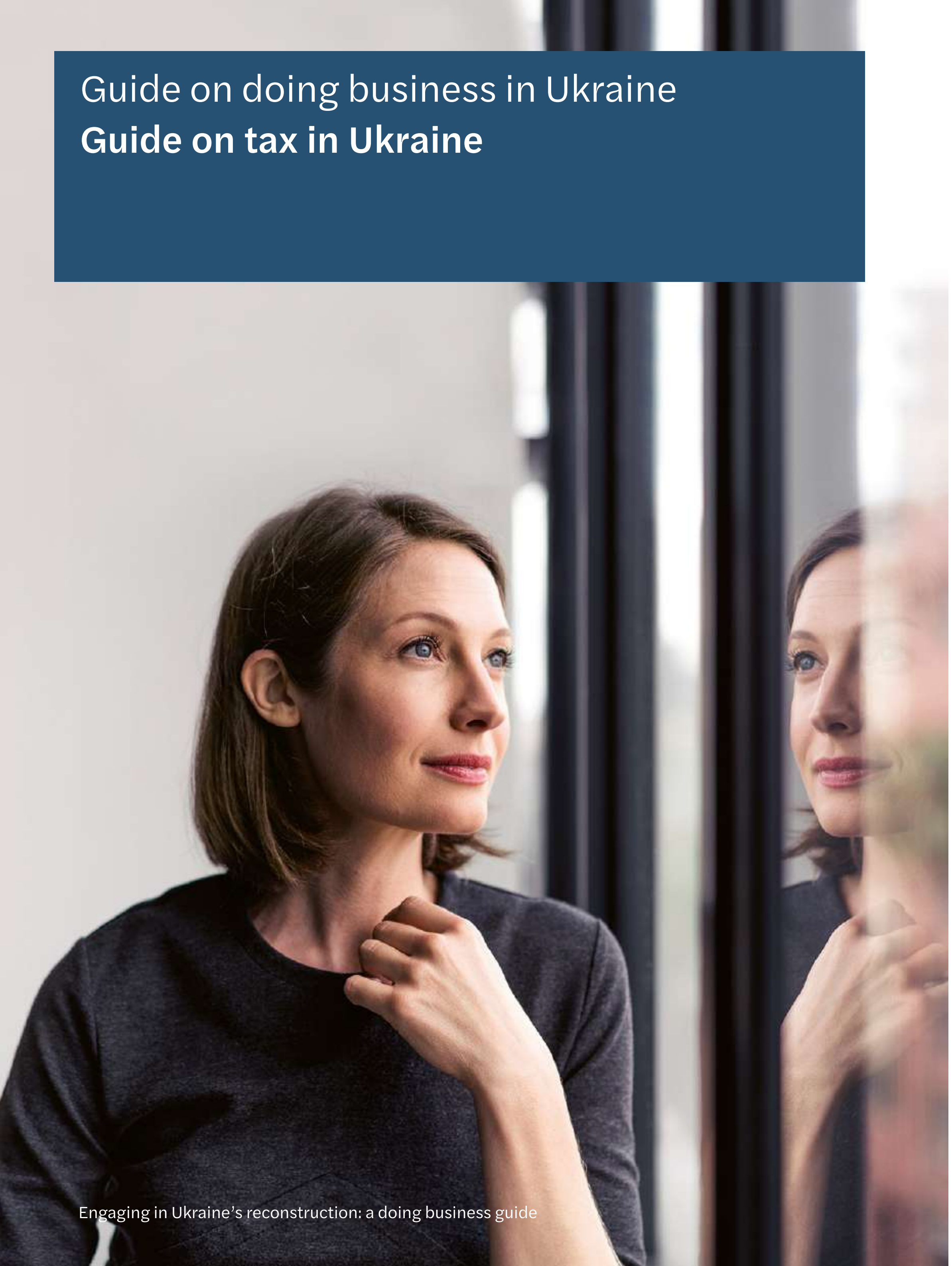
- cross-border transfers by residents under transactions for the import of goods (products, services, works etc.);
- foreign exchange transactions to fulfill obligations secured by a state guarantee;
- transfers of funds for the purpose of fulfilling the obligations of a resident to a non-resident under a sale and purchase agreement for 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 related to insurance premiums listed in the Resolution of the NBU of 24 February 2022, No. 18;
- making settlements under leasing, rent agreements;
- 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, subject to the conditions established by NBU Resolution No. 18;
- 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, subject to the conditions established by NBU Resolution No. 18.

Specific regulations for the period of martial law

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

- during martial law, many administrative procedures were simplified, and a moratorium on most inspections by state authorities was introduced. However, this regime has been gradually relaxed, and certain inspections, including tax audits, have been partially resumed. Certain labor rules have been simplified too;
- the right to conduct business activities may be acquired by businesses 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);
- restrictions on banks were introduced, in particular in the part of encumbrance of credit relation;
- the possibility of reservation of employees liable for military service during the period of mobilization and wartime was introduced to ensure the uninterrupted operation of enterprises that are critically important for the functioning of the economy and the maintenance of vital population needs, as well as those critically important for meeting the needs of the Armed Forces of Ukraine and other military formations;
- mechanisms for insurance and compensation of losses incurred by citizens and businesses due to the full-scale military aggression against Ukraine are being developed.

Guide on doing business in Ukraine
Guide on tax in Ukraine



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.

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 continue to apply where debt to non-residents exceeds equity by more than 3.5 times. In such cases, deductible interest is restricted by the 30% EBITDA-type limitation provided by the Tax Code.

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

Companies with annual income below UAH 40 million (approx. EUR 800,000) 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 non-residents. Payments for services are exempt from WHT (except for engineering). WHT is also levied on other payments to non-residents, 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".

Transfer pricing (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). Since 2025, businesses must also consider the expanded criteria of economic relatedness and the updated TP lists of jurisdictions and legal forms. The TP rules apply only if the company's annual revenue exceeds UAH 150 million (approx. EUR 3 million), and it had CT with the same counterparty for more than UAH 10 million (approx. EUR 200,000). Transactions between a non-resident and its PE fall under TP control if the amount exceeds UAH 10 million (approx. EUR 200,000).

Undistributed profits of controlled foreign companies (CFC) are taxed at 18% at the level of a Ukrainian company or individual (subject to exemptions).

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

Sole traders, companies with annual income below UAH 10 million (approx. EUR 200,000) 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	√	
Documentation liability	√	
APA	√	
Country-by-Country liability	√	
Master file-local file (OECD BEPS 13) applicable	√	
Penalty		
lack of documentation	√	3% of the value of controlled transactions, but not more than UAH 605,600 (approx. EUR 12K)
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
Safe harbours	No	-
Level of attention paid by Tax Authority		7 / 10

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 20,000) 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 administered 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.). Until the end of martial law, the import of certain military goods is exempt from VAT.

The other indirect tax in Ukraine is the 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. EUR 20K) over 12 consecutive months.

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 years**[1];
- **exemption from VAT** for importing new equipment and components related to it[2];
- **exemption from customs duties** for importing new equipment and components to it[2];
- construction at the expense of the state, local budgets of engineering and transport infrastructure (highways, communication lines, utilities, etc.);
- simplified procedure for granting the right for use (lease) of land plots of state or communal property with the pre-emptive right for acquisition of such a land plot to the property after the expiration of a special investment agreement;
- compensation for **costs of connection to engineering and transport infrastructure**, 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**.

[1] except 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

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

EUR 12+ mln

of investments into the project since the conclusion of the special investment agreement

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

10+

new jobs created or more depending on wages

...and

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

up to 5 years

of project implementation

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
- Waste management
- Transportation
- Warehousing
- Logistics
- Education
- R&D
- Healthcare
- Sports
- Hospitality
- Production of biogas and biomethane (including liquefied or compressed)

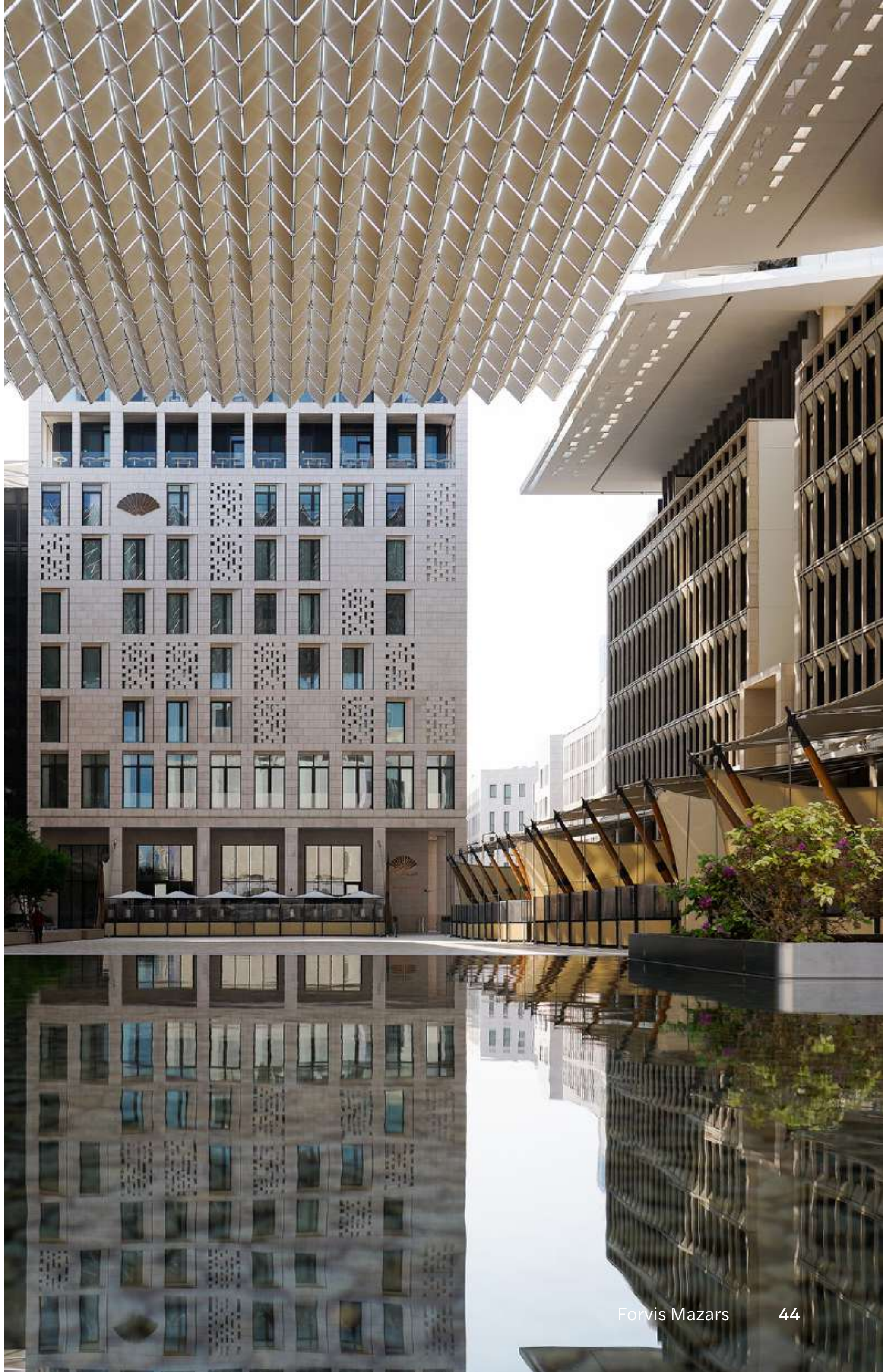
Industrial Parks

Law of Ukraine "On Industrial Parks" and respective changes to the Tax Code and the Customs Code provide for a 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 new equipment;
- exemption from 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.

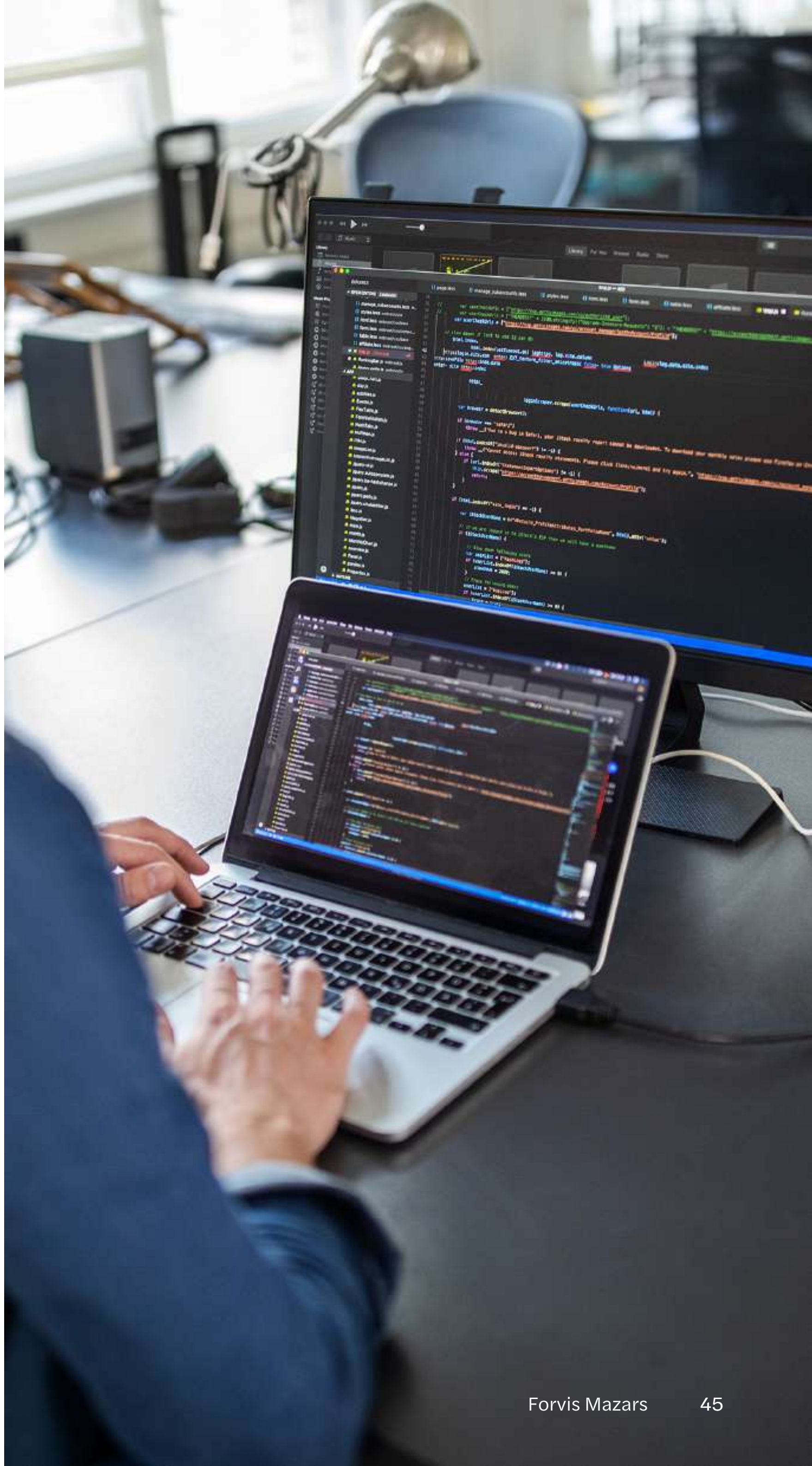


Diia.City regime

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 all types of IT activities in Ukraine in general. The Diia.City regime is implemented for at least the following 25 years and secures a number of tax and legal benefits for the IT industry.

Tax benefits

Labor taxes	Stimulation of investments	Income taxation
• 5% personal income tax (PIT) – on salaries up to EUR 240K 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 UAH 8.6K as of 1 January 2026); • 5% military tax.	• 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.	• 9% on exit capital tax OR 18% CPT – can be chosen by "Diia.City" resident.



GIG contracts and other legal benefits

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

- employ GIG specialists based on conditions established by a 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 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, the 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 for the protection of investments and intellectual property.

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 activities:

- software development and testing, including computer game publishing;
- software publishing and distribution, including SaaS solutions;
- digital marketing and ads using software developed by residents;
- R&D in IT and Telecom;
- cybersport;
- training in computer literacy, programming, software testing, and technical support;
- cybersecurity;
- digital marketing, including advertising (Ads) and web analytics using software developed by residents;
- provision of services related to virtual asset circulation;
- robotics;
- development, implementation and support of international card payment system solutions;
- manufacturing of technological products for defence, industrial and consumer use;
- hosting services, including cloud data centers;
- design, manufacturing and maintenance of unmanned aerial vehicles (UAVs) and their components, including batteries and accumulators, as well as UAV operation training services;
- manufacturing, servicing, distribution and repair of bionic prostheses, high-functionality prostheses and computer-controlled orthoses;
- innovative research and development (R&D) across all industries;
- building information modeling (BIM);
- processing of audiovisual works and production of phonograms, including post-production, computer graphics, animation and visual effects (VFX).

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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 1,200	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

During the martial law period, failure to meet the eligibility criteria does not result in the loss of Diia. City resident status. However, in such cases, the resident may temporarily lose the right to apply certain tax benefits (including preferential PIT rates), which are conditional upon compliance with statutory requirements.

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 5% PIT, except for dividends distributed by Ukrainian CPT payers, which are subject to 9% PIT.

There is a temporary military levy (until the completion of the military reform) at a rate of 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 1,902 (approx. EUR 38), the maximum monthly SSC is UAH 172,940 (approx. EUR 3,459).

Wage related taxes in Ukraine		Minimum wage		Average wage in private sector	
Exchange rate UAH/EUR	**49.57**	**in EUR**	**in UAH**	**in EUR**	**in UAH**
		161.36	8,000	547.95	27,167
Total wage cost		**196.86**	**122%**	**668.50**	**122%**
	Social contribution tax	35.50	22%	120.55	22%
Gross salary		**161.36**	**100%**	**547.95**	**100%**
	Personal income tax	29.04	18%	98.63	18%
	Military tax	8.07	5%	27.40	5%
Net salary		**124.25**	**77%**	**421.92**	**77%**

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