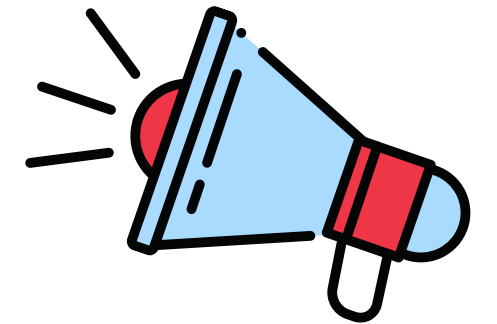
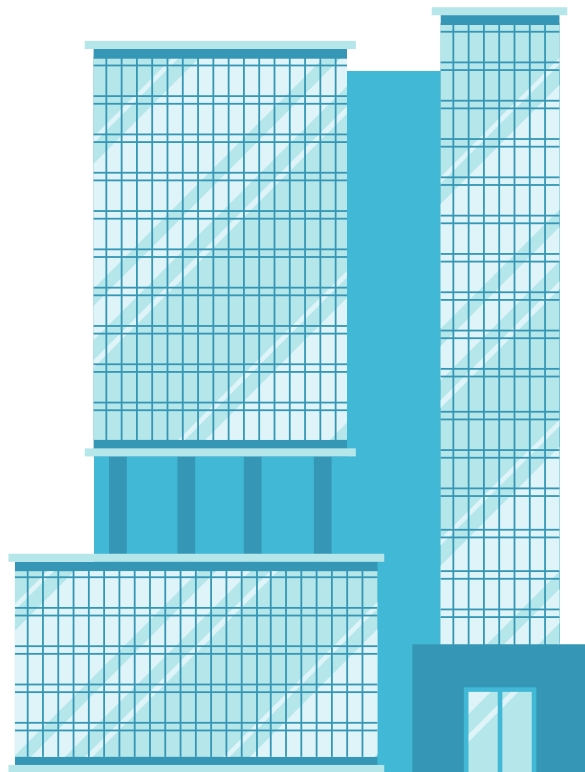


# PUBLIC REPORT STS 2020



# Emergency condition of the STS Building

May 2020





# Former STS's leadership suggestions on assessment of the state and expected opportunities for collection of taxes and fees to the State budget in the first 6 months of 2020

6

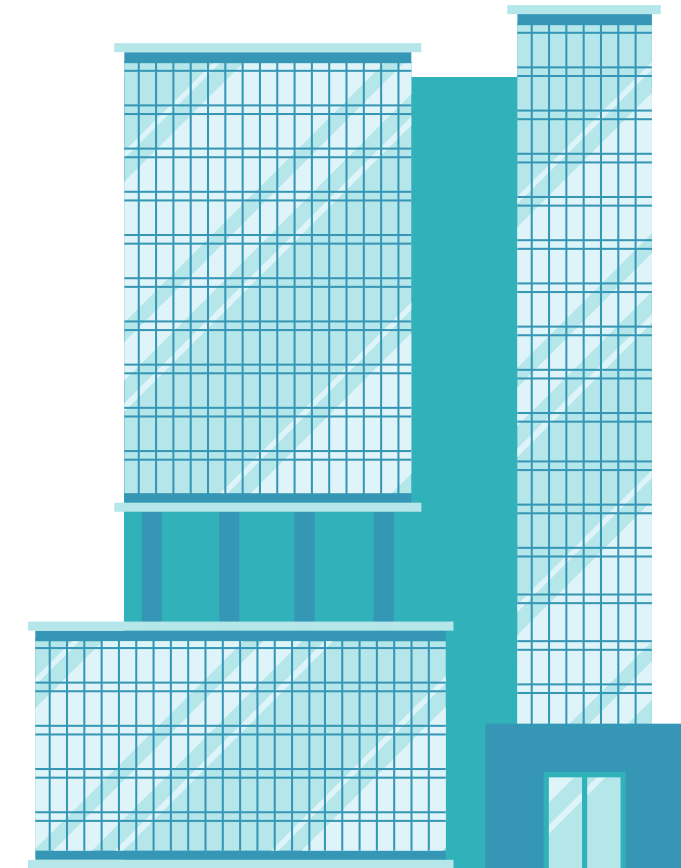
по 31 травня 2020 року, крім документальних позапланових перевірок з підстав, визначених підпунктом 78.1.8 пункту 78.1 статті 78 цього Кодексу. Відповідно до пункту 52<sup>2</sup> документальні та фактичні перевірки, що були розпочаті до 18 березня 2020 року та не були завершені, тимчасово зупиняються на період до 31 травня 2020 року. Зазначені зміни створюють додаткові ризики виконання індикативних показників.

**Suggestions: in the view of stated above and the Law of Ukraine dated 13.04.2020 № 553-IX, it is urgently necessary to take into account the specified economic tendencies and impact factors on the state budget's revenues for further formation of adjusted budget target list (monthly plan of budget revenues and expenditures) starting from April 3, 2020.**

Chairman of the STS

(signature)

Serhiy Verlanov



# NEW FACE OF THE STS

## Mission:

“We are fully transparent, modern and technological Tax service that provides high quality and convenient services to payers, efficiently administers taxes, fees, payments and is not tolerant towards corruption”.

## Reforming

## Strategic goals:

1

Efficient administration of taxes, fees and payments

2

Counteraction against tax evasion by introducing international standards and improvement of analytical tools

3

Formation of the STS's image as European service that will ensure high level of trust in society

4

Composition of high skilled, efficient and motivated professionals

5

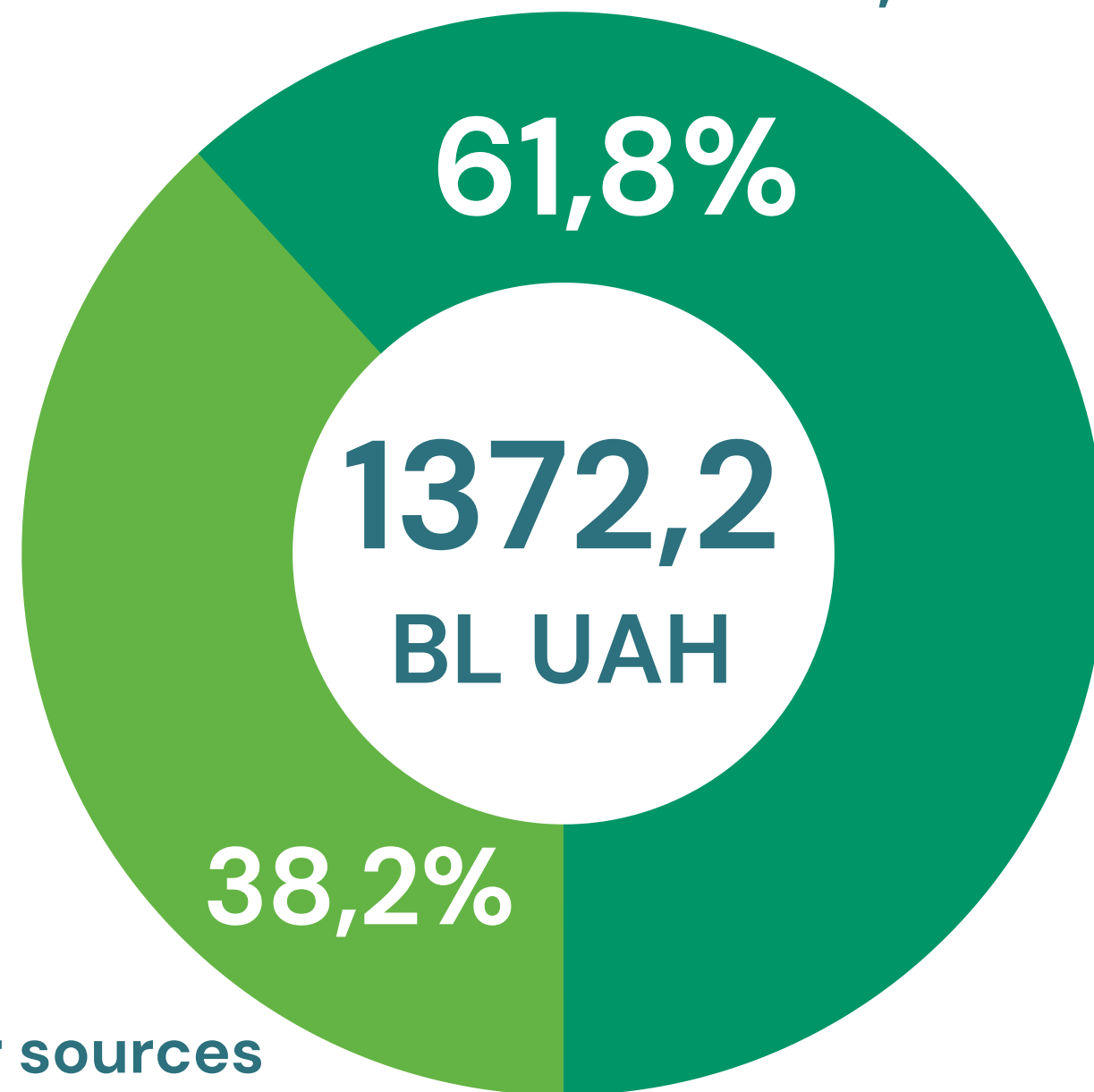
Creation of a single legal entity and efficient management of activities



# Administration of taxes and fees

Consolidated budget

STS  
848,0 BL UAH

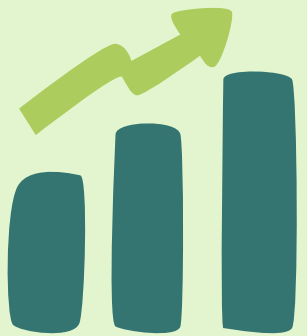


Other sources  
534.7 BL UAH

Revenues (balance) to the  
Consolidated Budget of Ukraine  
in 2020 amounted to

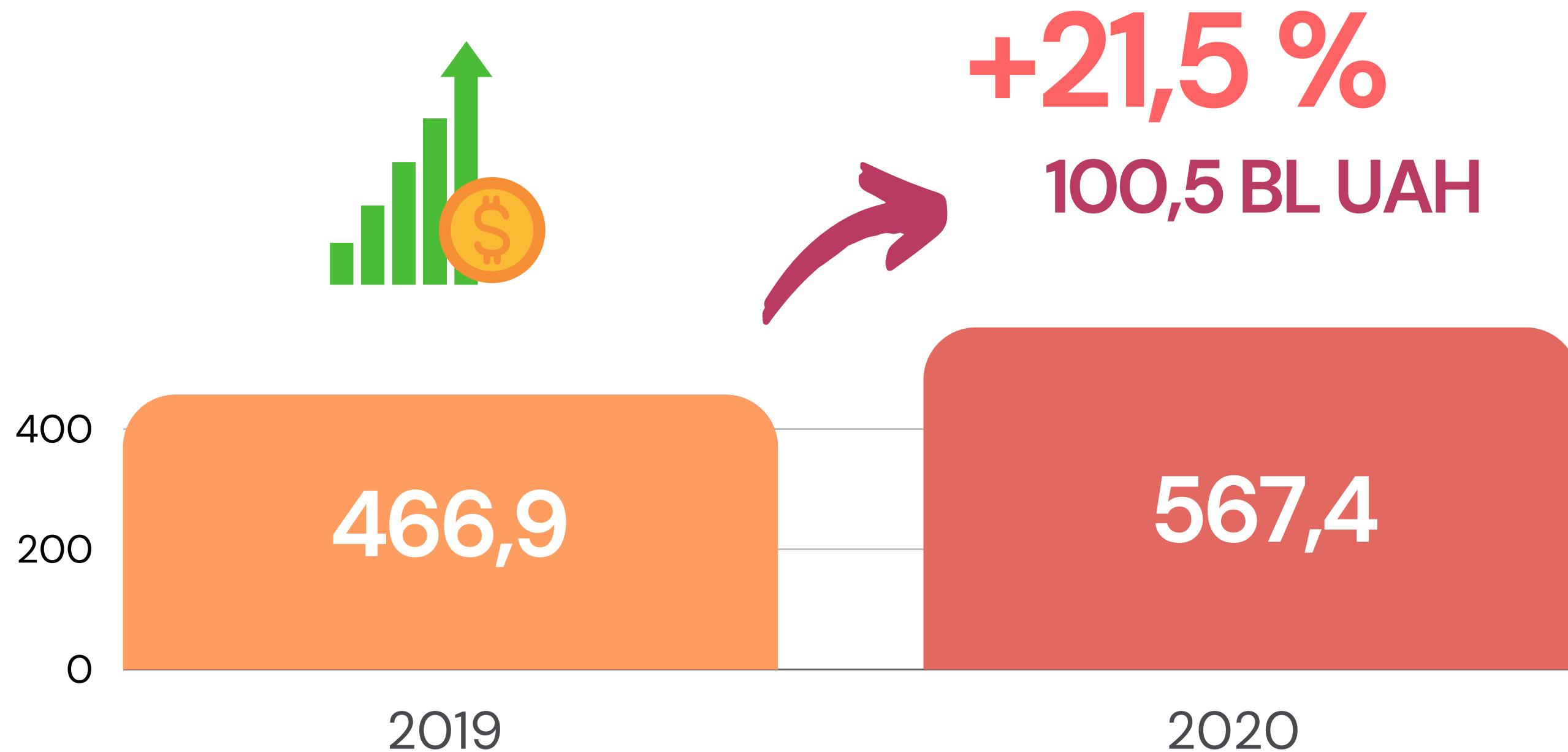
848,0  
BL UAH

which is  
**+15,7%**  
compared to 2019



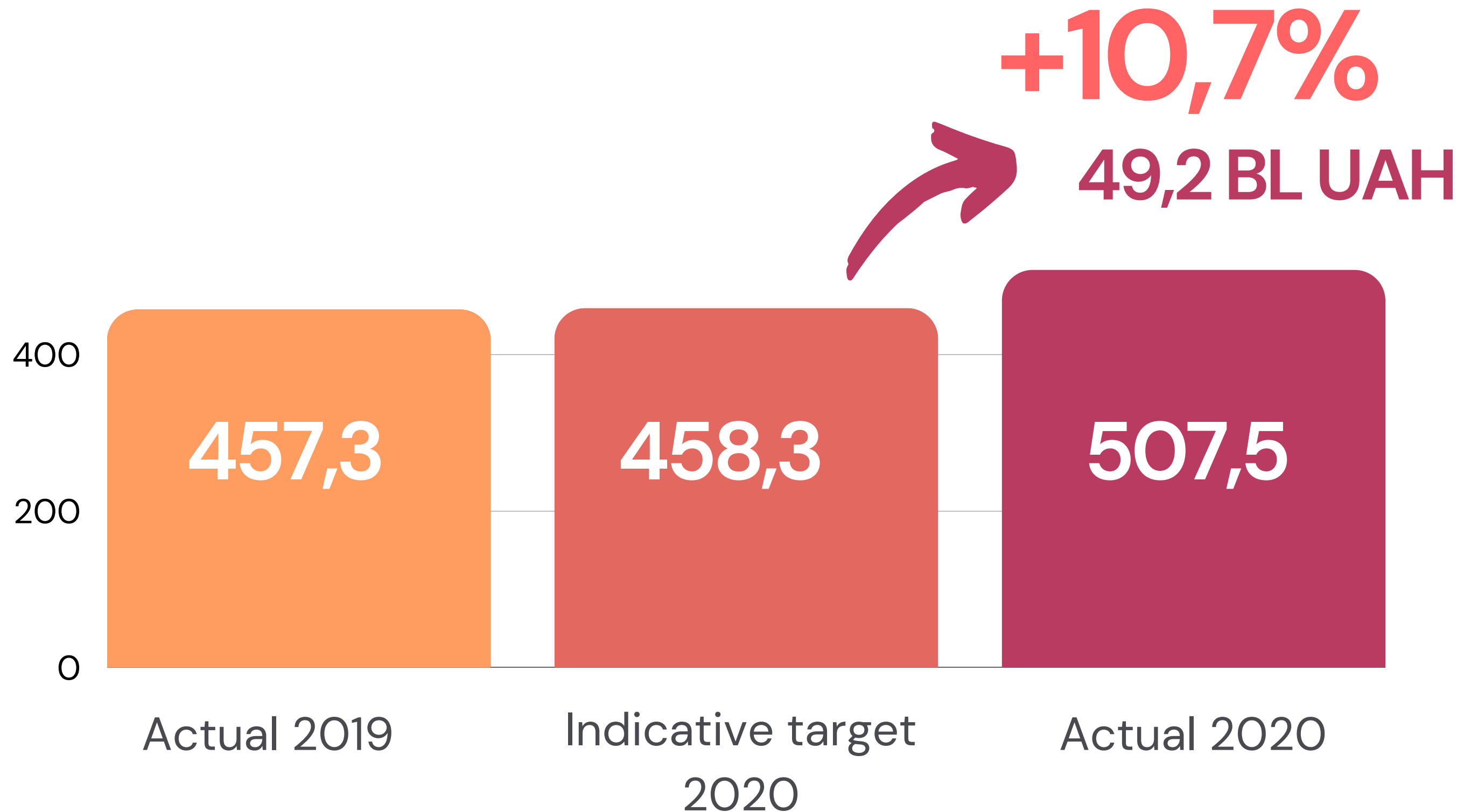
# Revenues to the State Budget of Ukraine

Revenues to the State Budget (balance) amounted to **567,4 BL UAH**, which is **by 21,5%** (100,5 BL UAH) more compared to 2019

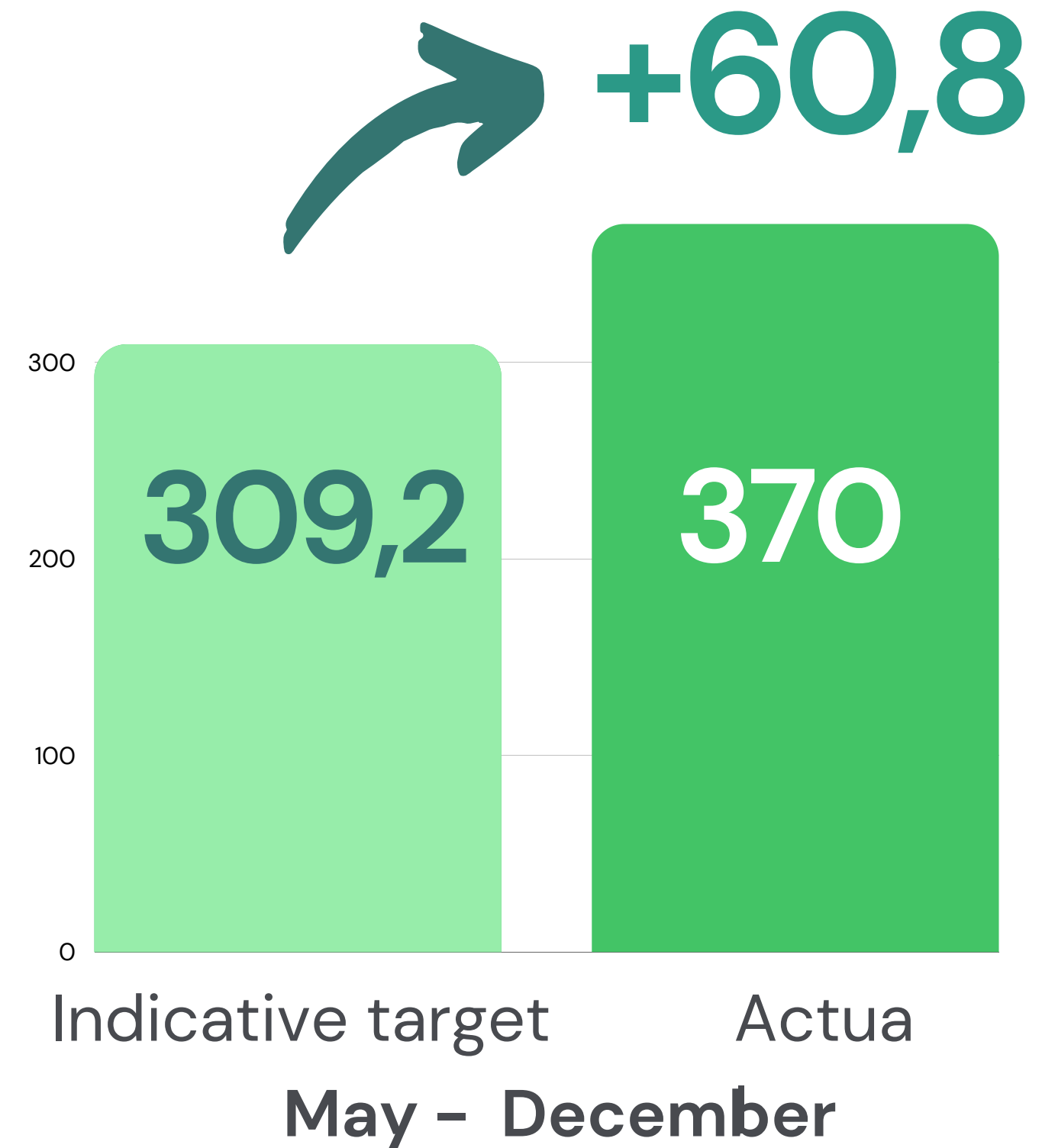




# Dynamics in payments to the General Fund of the State Budget (balance), BL UAH

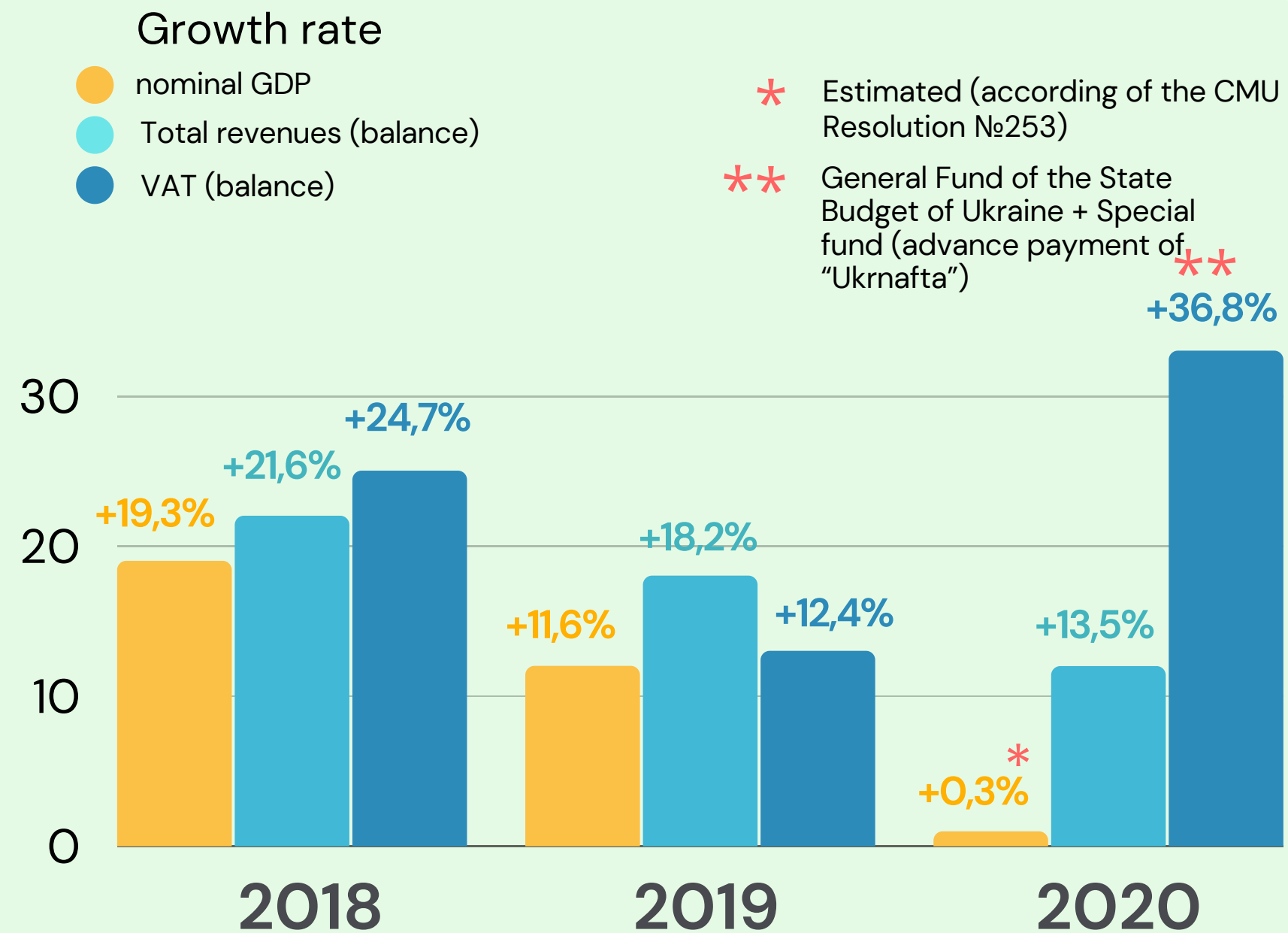


# General Fund of the State Budget 2020 (balance), BL UAH

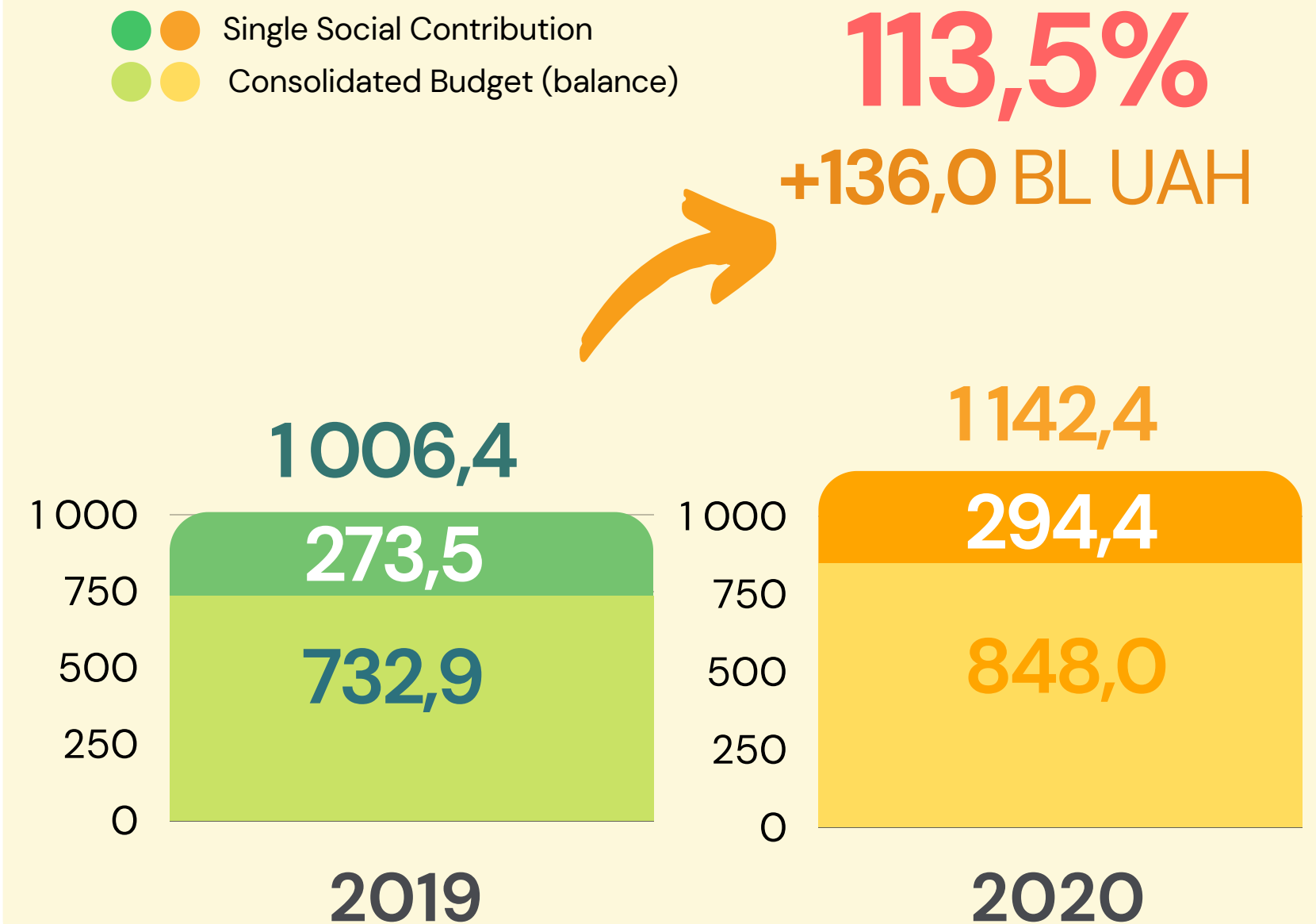




## Nominal GDP



## Total revenues, BL UAH



# Functioning of the STS as a single legal entity

New organizational structure

31

territorial body,

of which

5

are STS's interregional directorates  
for work with large taxpayers:

- central
- eastern
- western
- southern
- northern

Scientific advisory board





## AUDITS, COMBATING ILLEGAL INCOME AND CORRUPTION

## Results of work performed by the STS's authorized units for corruption prevention and detection in 2020

### Developed and implemented:

- Procedure for conflict of interests management in the STS and its bodies

- Procedure for organization of work on corruption prevention and detection in the STS and its bodies

- Methodological guidelines on the consideration of whistle blowers' notifications

- Anti-corruption program of the STS for 2020 – 2022, approved by the National Agency on Corruption Prevention

- Anonymous survey of STS's employees regarding corruption

# HR Strategy 2020–2023

Employees involvement



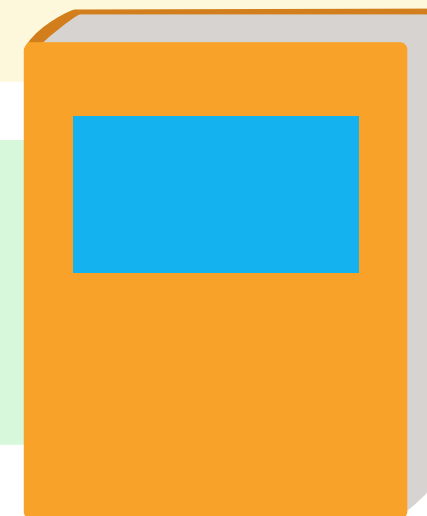
Employees management strategy



Adaptation of the newly  
hired employees



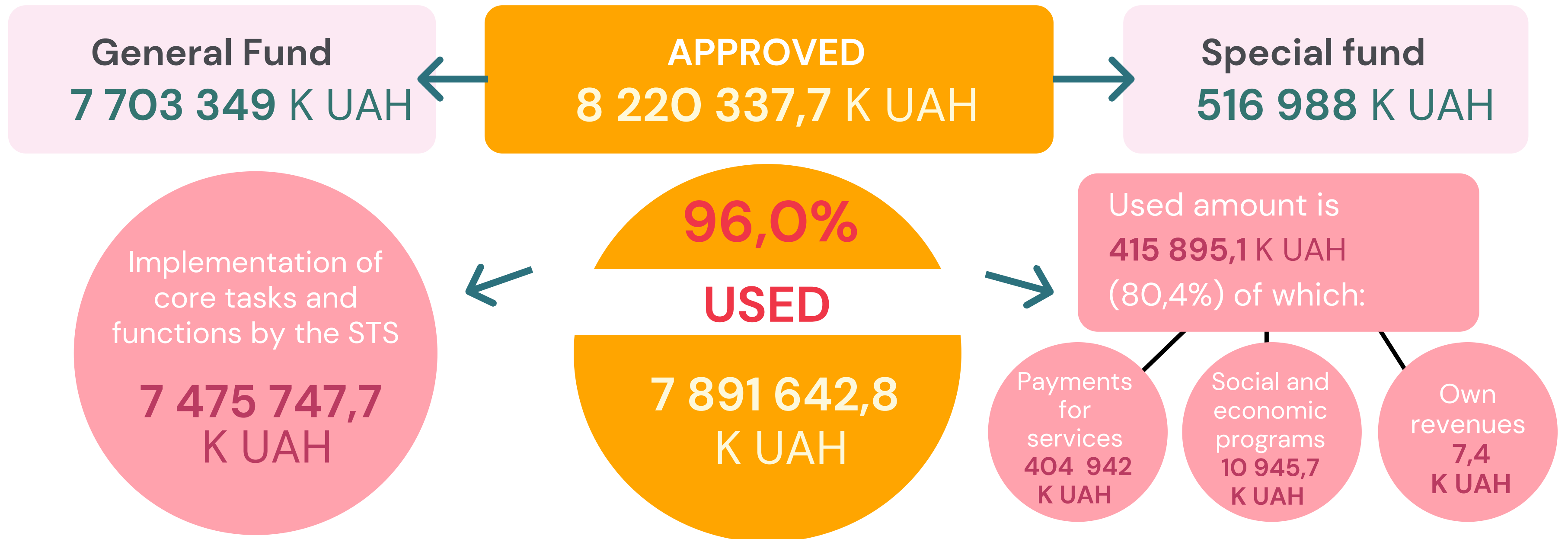
Manual for the newly hired  
employees





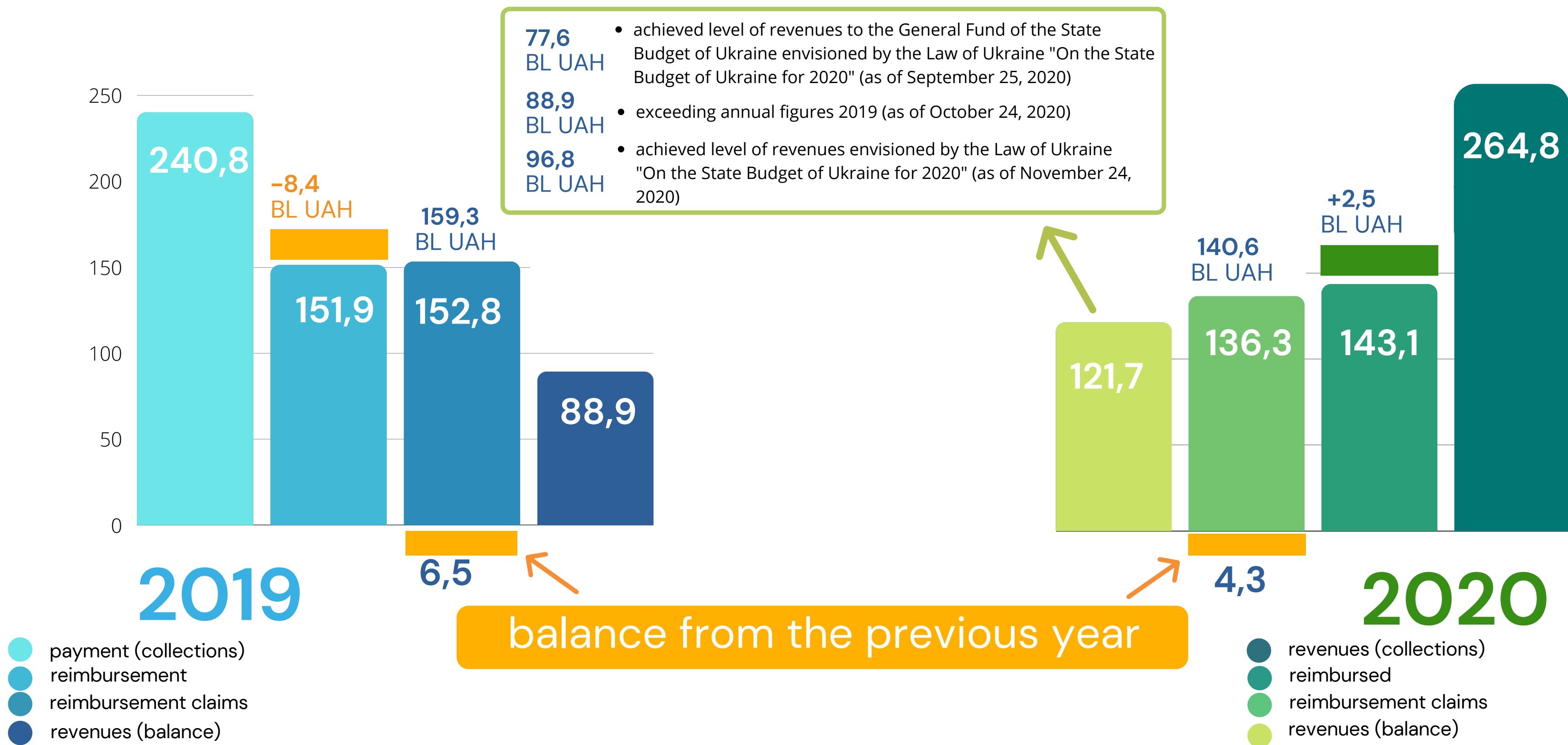
# Usage of Ukraine's State Budget 2020

State Tax Service of Ukraine



# VAT dynamics

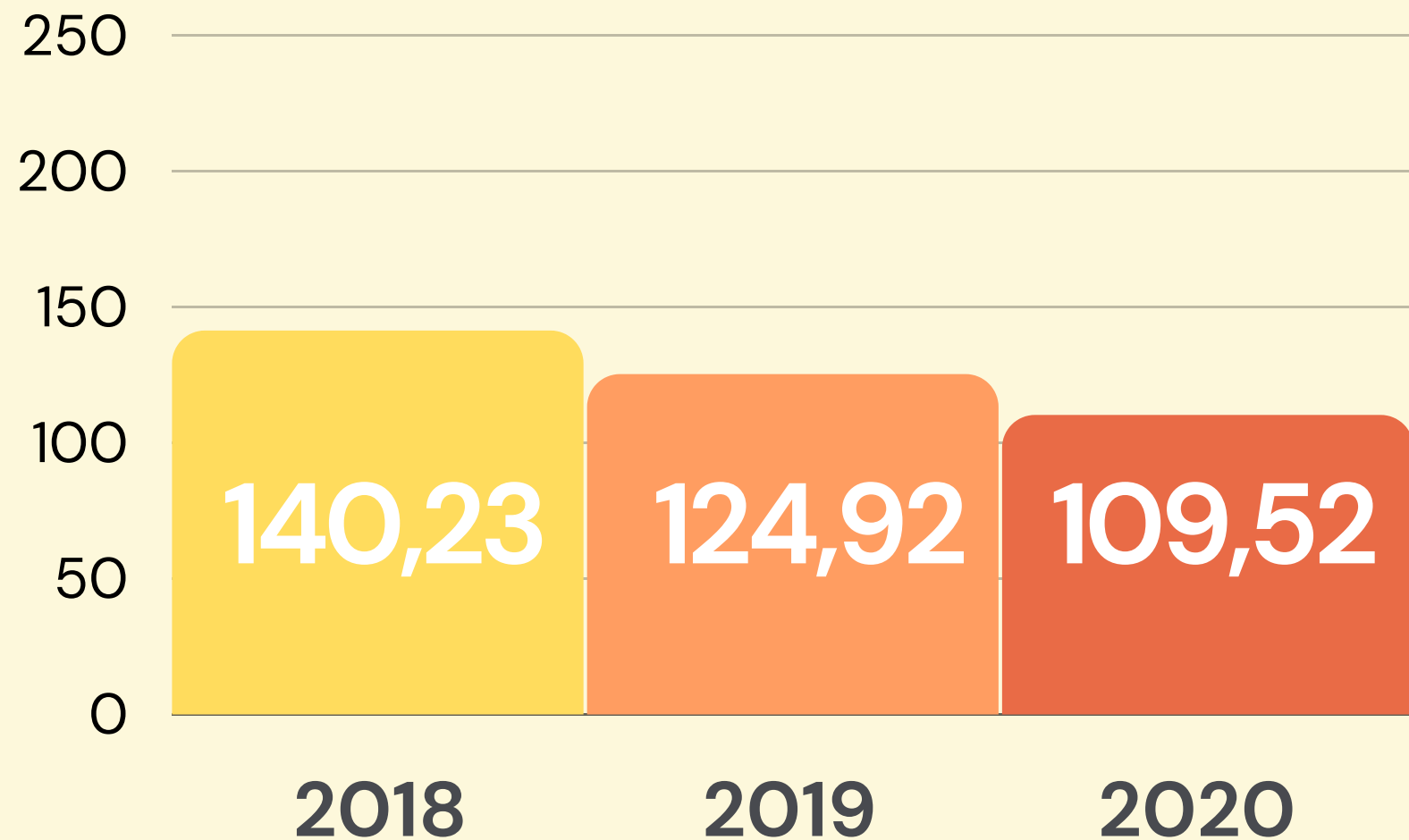
(General fund of the State Budget of Ukraine and Special Fund (advance payment of the PJSC "UKRNAFTA"))



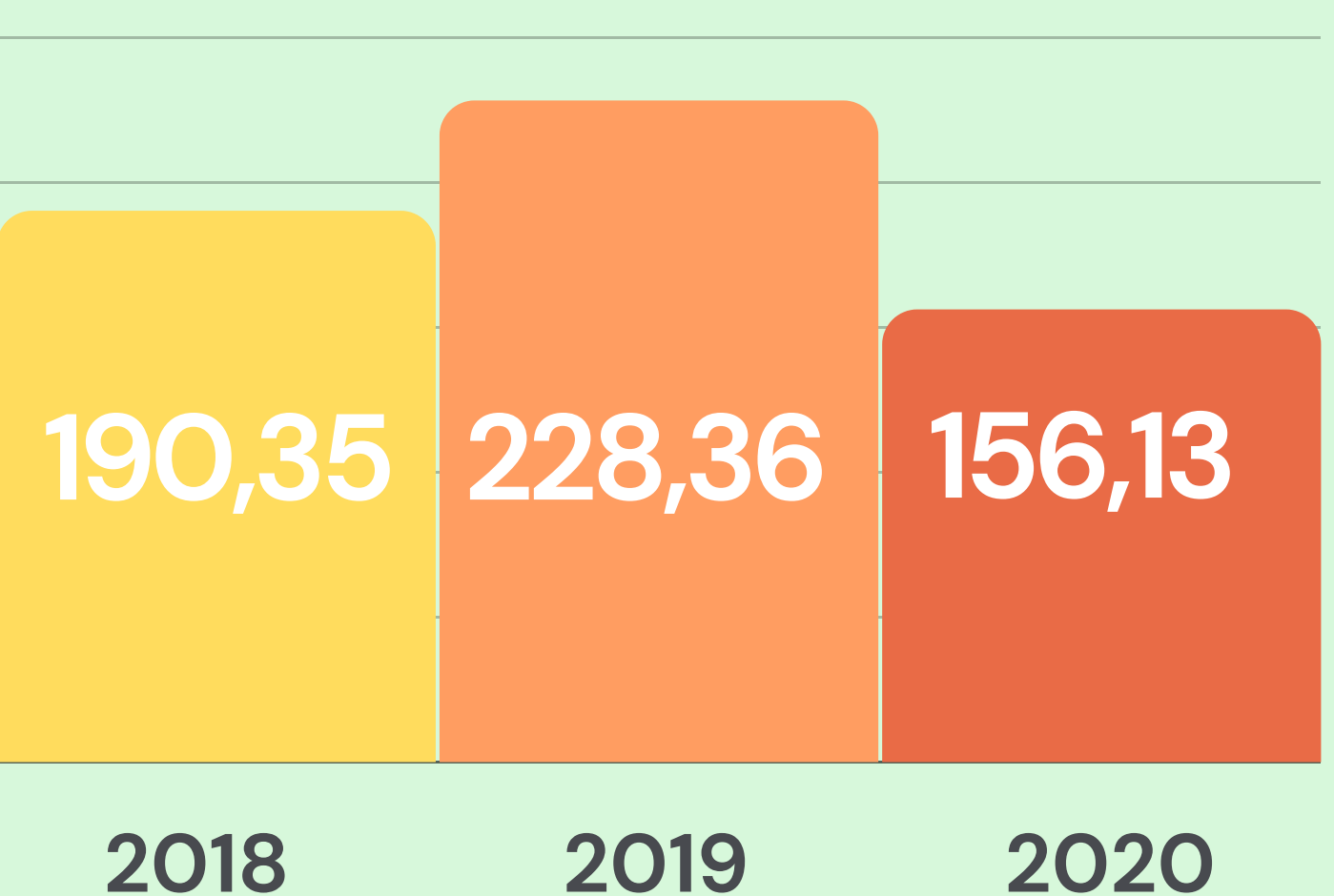
# Local taxes and fees

The highest share in the property tax is from legal entities **99,4%**

## Transport tax



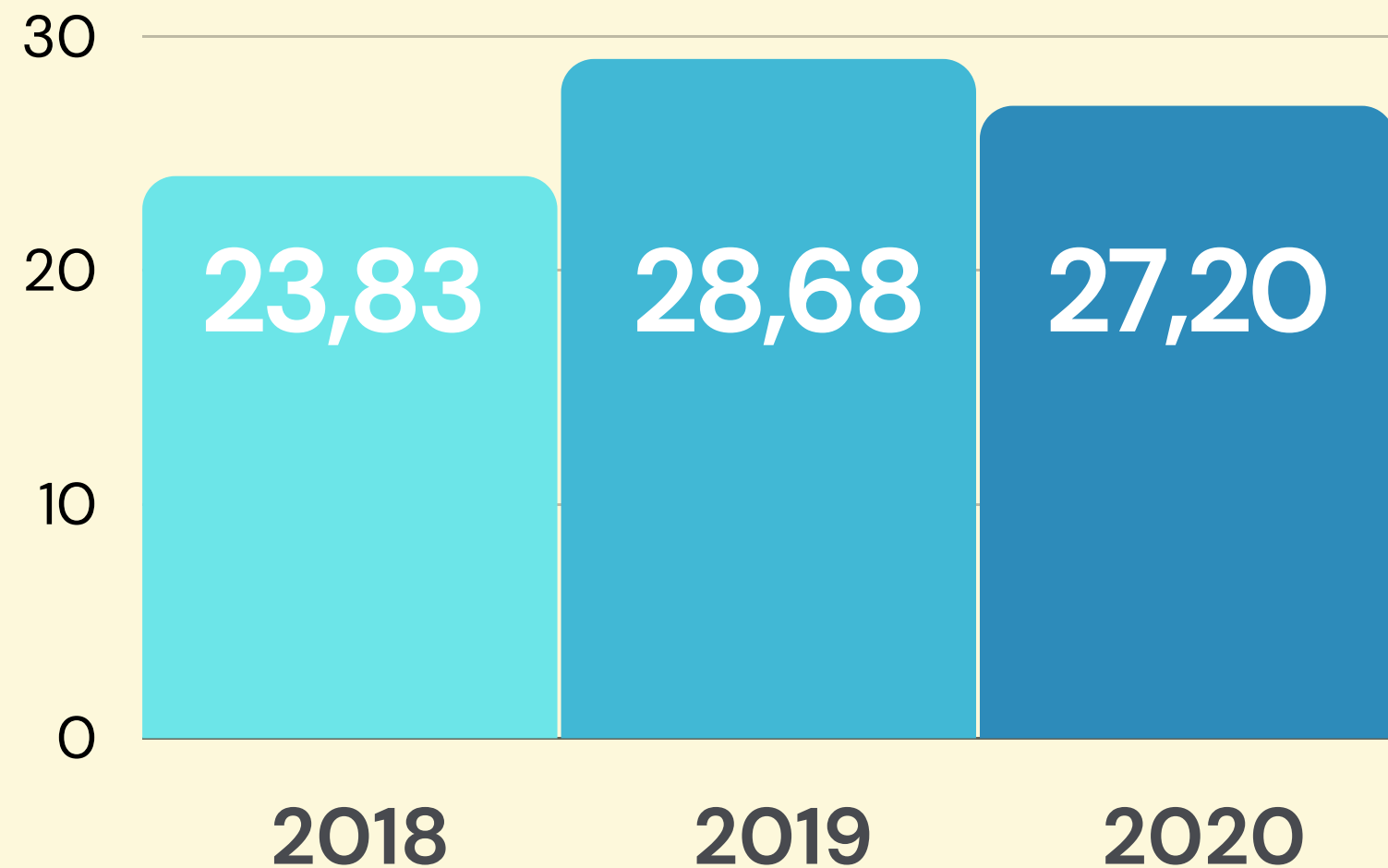
## Tourism fee



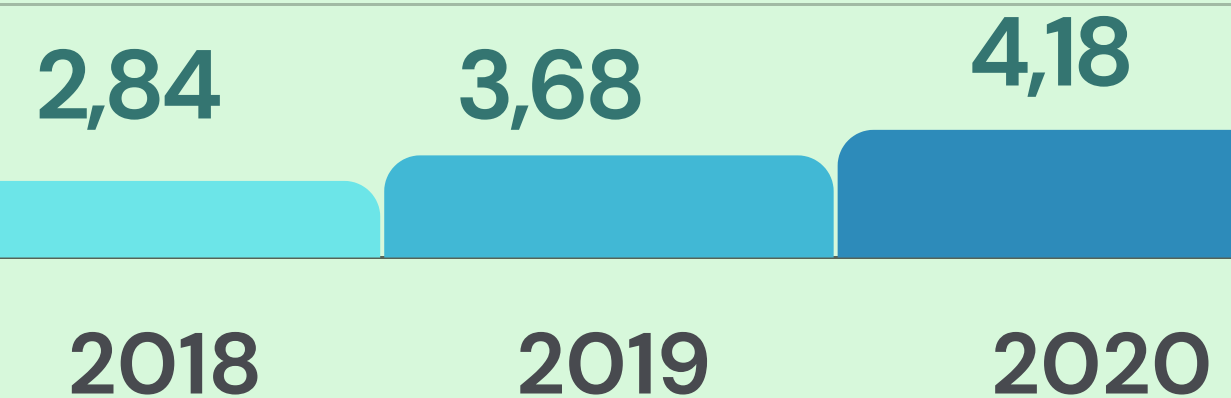
# Local taxes and fees

In 2020 the STS provided collection **31,7 BL UAH**  
of

Land fee



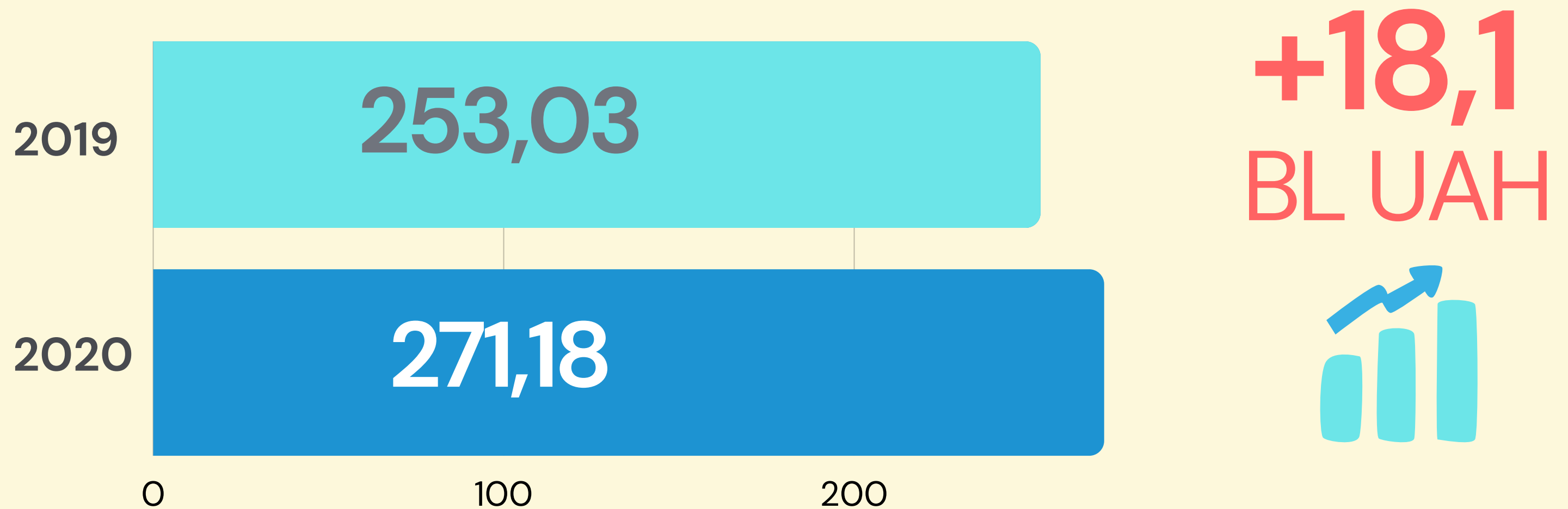
Immovable  
property tax





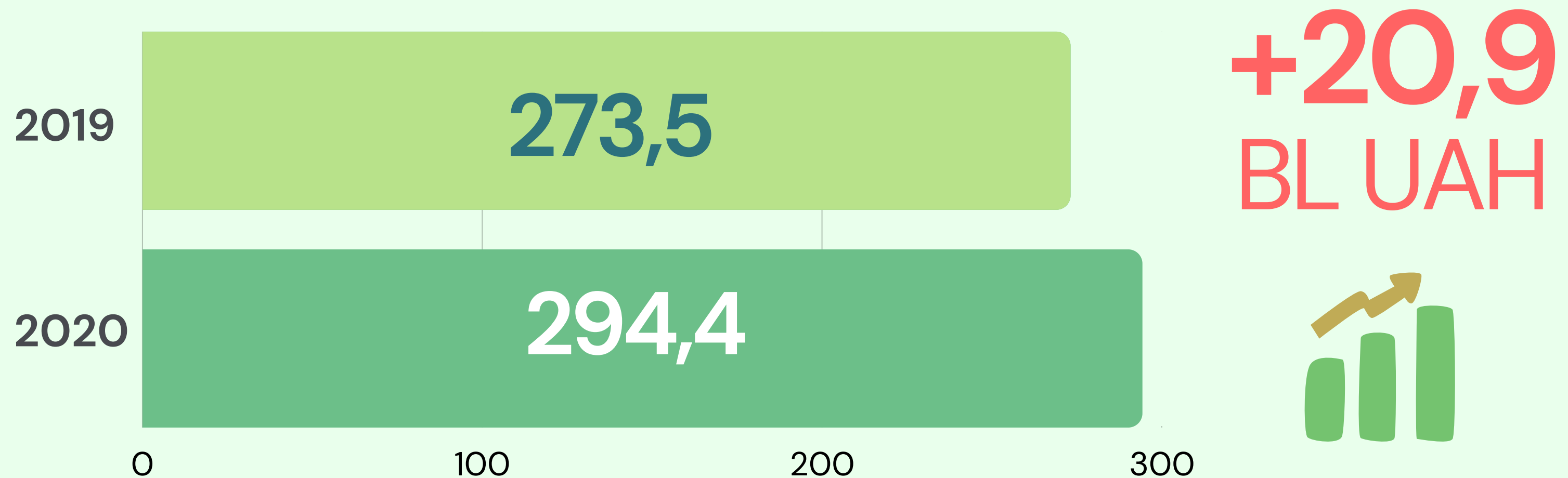
# Personal income tax

State Budget received **93,4 BL UAH**,  
Local budgets– **177,8 BL UAH**



# Administration of single social contribution, BL UAH

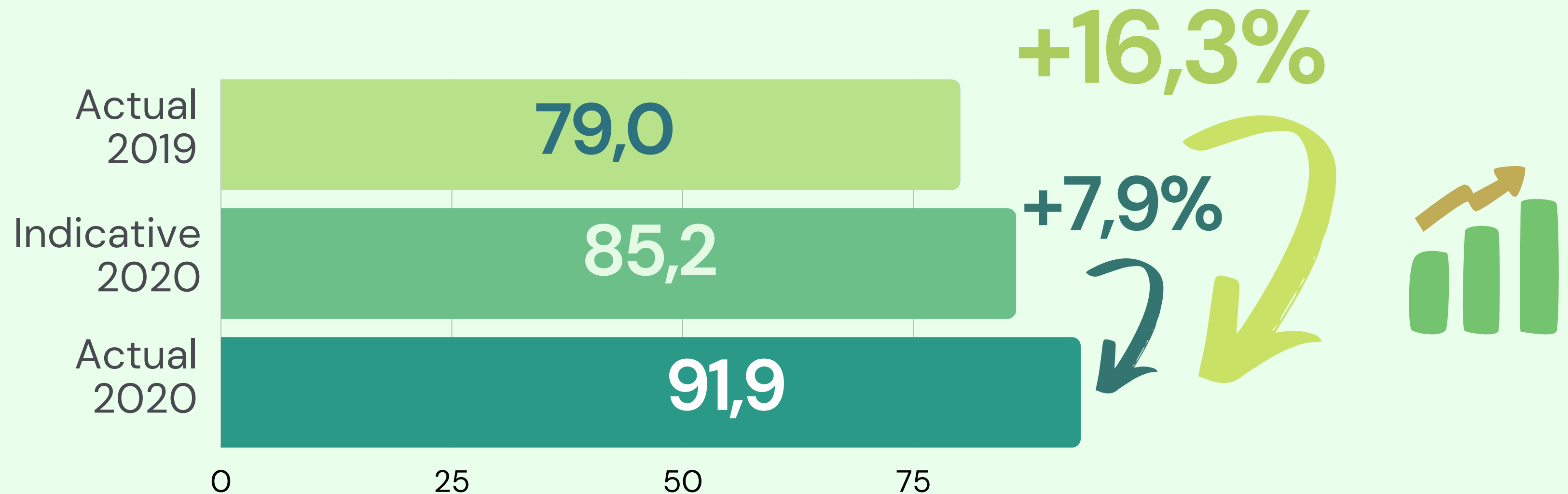
294.4 BL UAH of the SSC was collected in 2020, which is 20.9 BL UAH more compared to the corresponding period in 2019



# Budget revenues in terms of excise tax

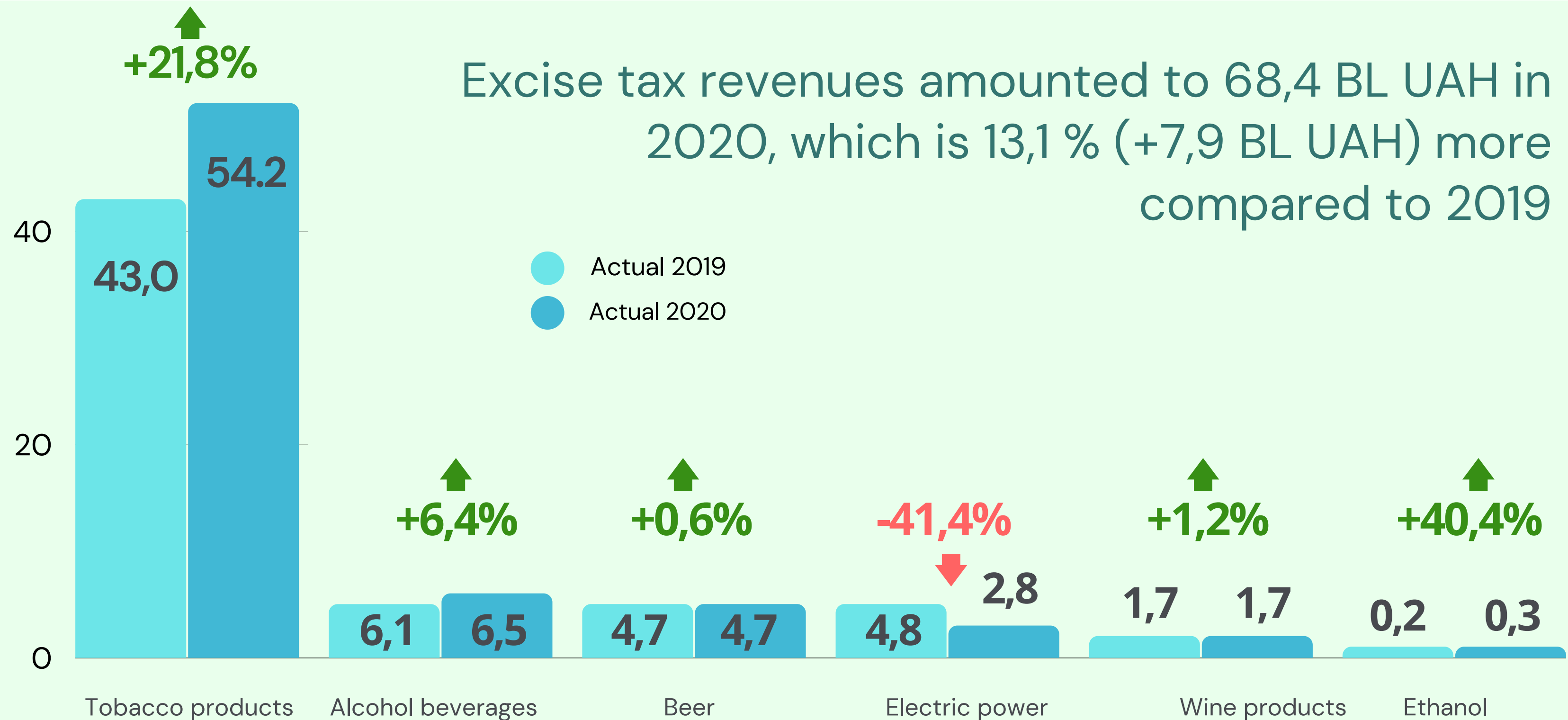
Indicative targets were fulfilled by **107,9%** (+ 6,8 BL UAH)

Revenues growth is **16,3%** (+ 12,9 BL UAH) compared to 2019



# Excise tax revenues from goods produced in Ukraine

Excise tax revenues amounted to 68,4 BL UAH in 2020, which is 13,1 % (+7,9 BL UAH) more compared to 2019





# Electronic registers of the STS

for provision of administrative services to  
payers and control over the volume of excisable goods

- **License register**

Electronic License register is maintained at the official webportal of the STS

Notifying the payer via the Electronic cabinet that license will expire in 30, 15, 10 and 5 calendar days

Automatic system "License for alcohol, ethanol, tobacco and fuel" contains available information on the next payment for issuance/redocumentation when the payer's application is entered into the system

- **Register of equipment for production of tobacco products**

- **Register of the flow-meters and level meters used to meter fuel in a reservoir**

- **Register of the flow-meters and level meters used to meter ethanol in a reservoir**

- **Register of ethanol, alcohol beverages and tobacco storage places**

- **Register of transport vehicles used for transportation of fuel or ethanol**

# AUDITS, COUNTERACTION AGAINST ILLEGAL INCOME AND CORRUPTION

## Efficiency of tax audit

**Moratorium**  
on tax audits since March 18, 2020

**Documentary audits covered**  
**0,7%** of registered legal entities (8,7 K)  
**0,7%** of registered individuals (self-employed) (13,6 K)

**CALCULATED AMOUNT OF LOSSES - 20,2 BL UAH**  
Corporate income tax - **4,0 BL UAH**  
VAT - **16,2 BL UAH**

### By the audit type

The number of conducted audits is 42,4 K :

- planned audits - 1,94 K
- off-scheduled audits - 23,9 K
- actual audits - 16,6 K

**Established violations in 30,9 K (73%) ;**

- planned audits - 98%,
- off-scheduled audits - 53%,
- actual audits - 98%

### By the accrued amounts

ACCRUED - **17,7 K**

PREVENTED NON-PAYMENTS - **2,4 K**

- corporate income tax **2,4 K**
- VAT **0,7 K**

**2,3%**

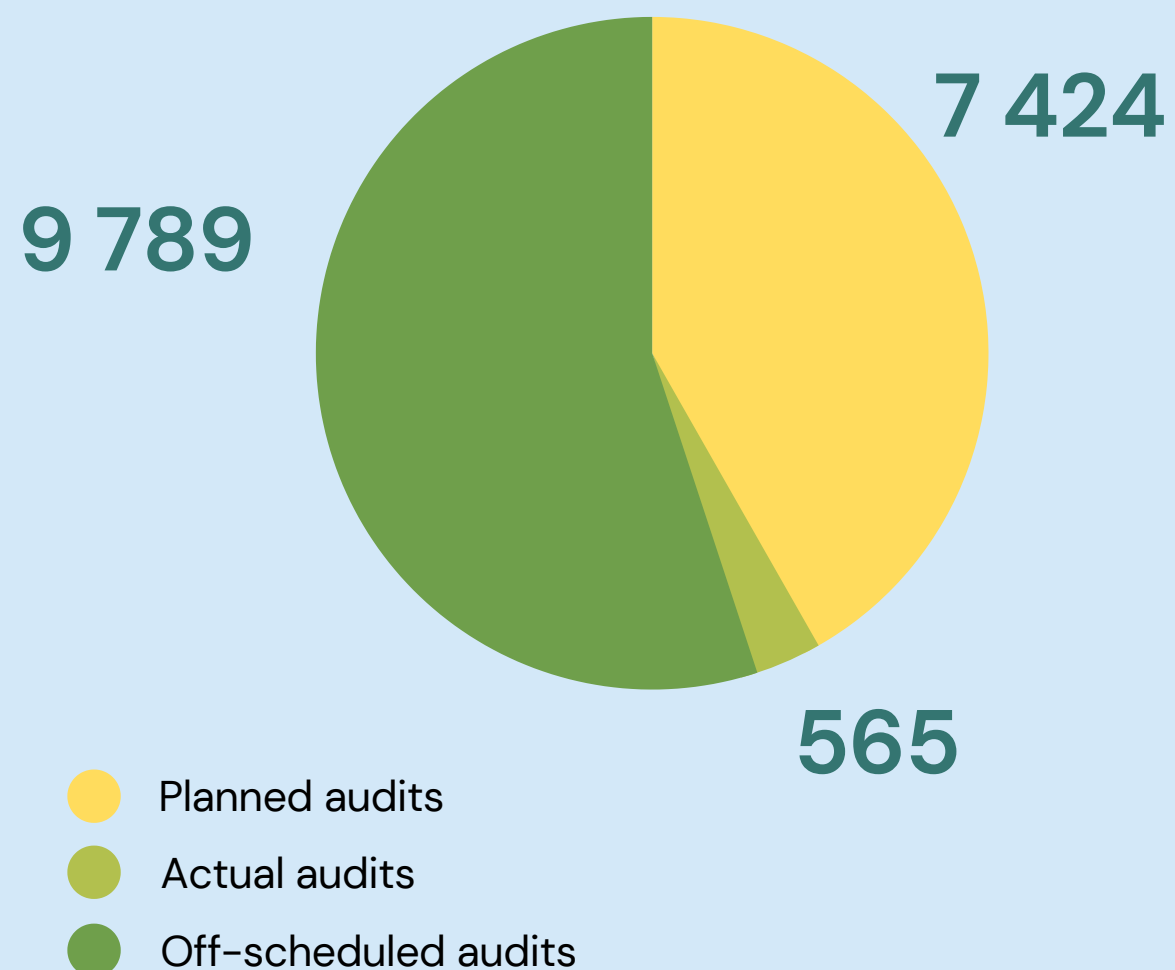
**(991,1 BL UAH)**  
of the total amount  
of revenues to the  
Budget 2020

# AUDITS, COUNTERACTION AGAINST ILLEGAL INCOME AND CORRUPTION

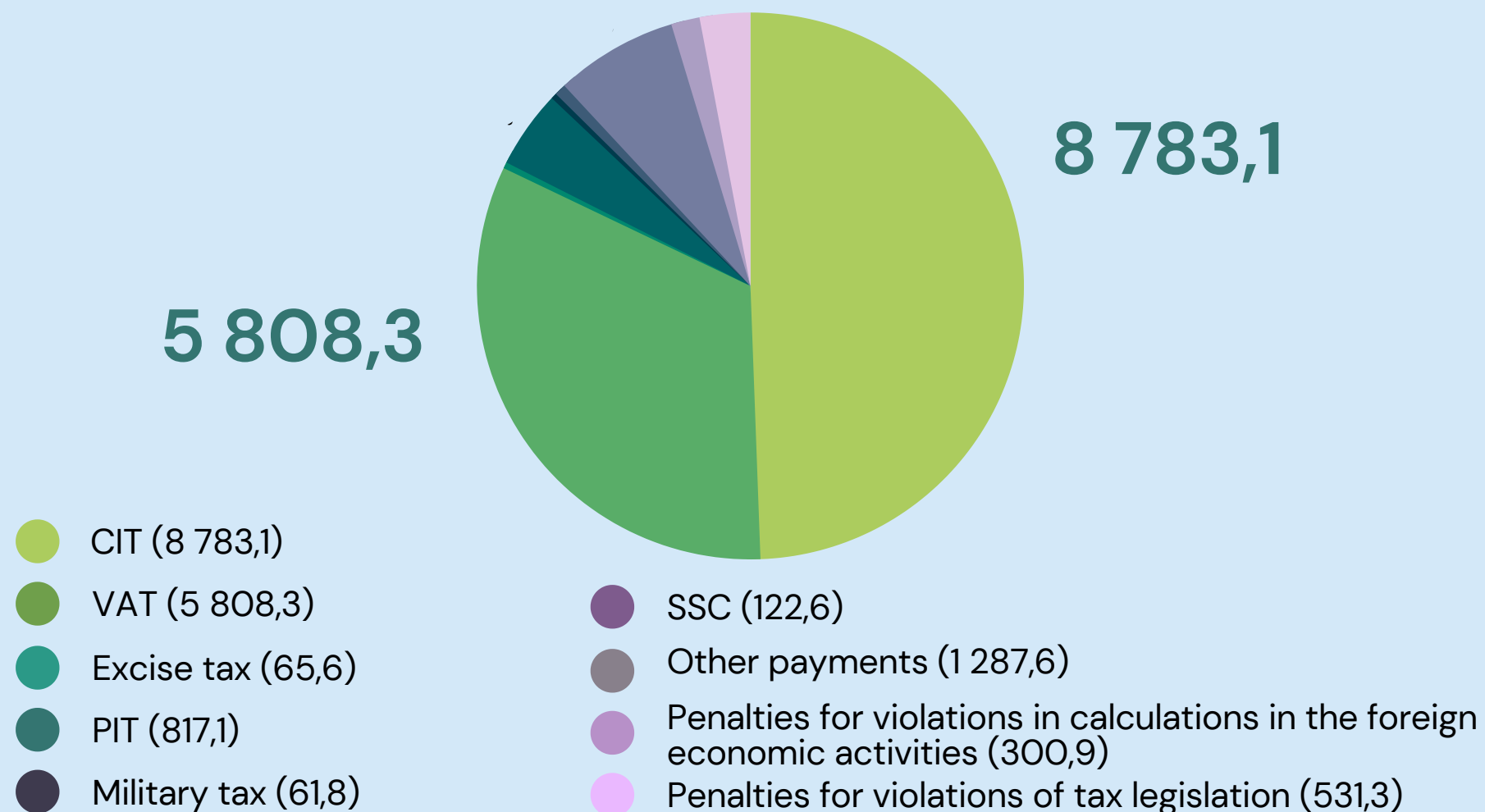
## Results of conducted tax audits

### Recorded amount of violations (17 778 mln. UAH)

Accrued by the audit type,  
mln. UAH



Accrual types of taxes/fees/other  
payments, mln. UAH



# AUDITS, COUNTERACTION AGAINST ILLEGAL INCOME AND CORRUPTION

## Results of conducted tax audits

### Contribution of audit units

- 2,3 BL UAH in monetary means
- Reduced amount of losses is 13,0 BL UAH
- Reduced amount of illegal VAT reimbursement is 2,4 BL UAH

Increased number of  
registered registrars of  
settlement operations  
and its software version

by 17%  
(+51 K)

Increased amounts of earnings  
registered via the registrars of  
settlement operations

by 5,6%  
(+6,7 BL UAH)

**TAX  
control**

+1 214  
persons

documented their labor  
relations in the course  
of actual audits

by 3,7%

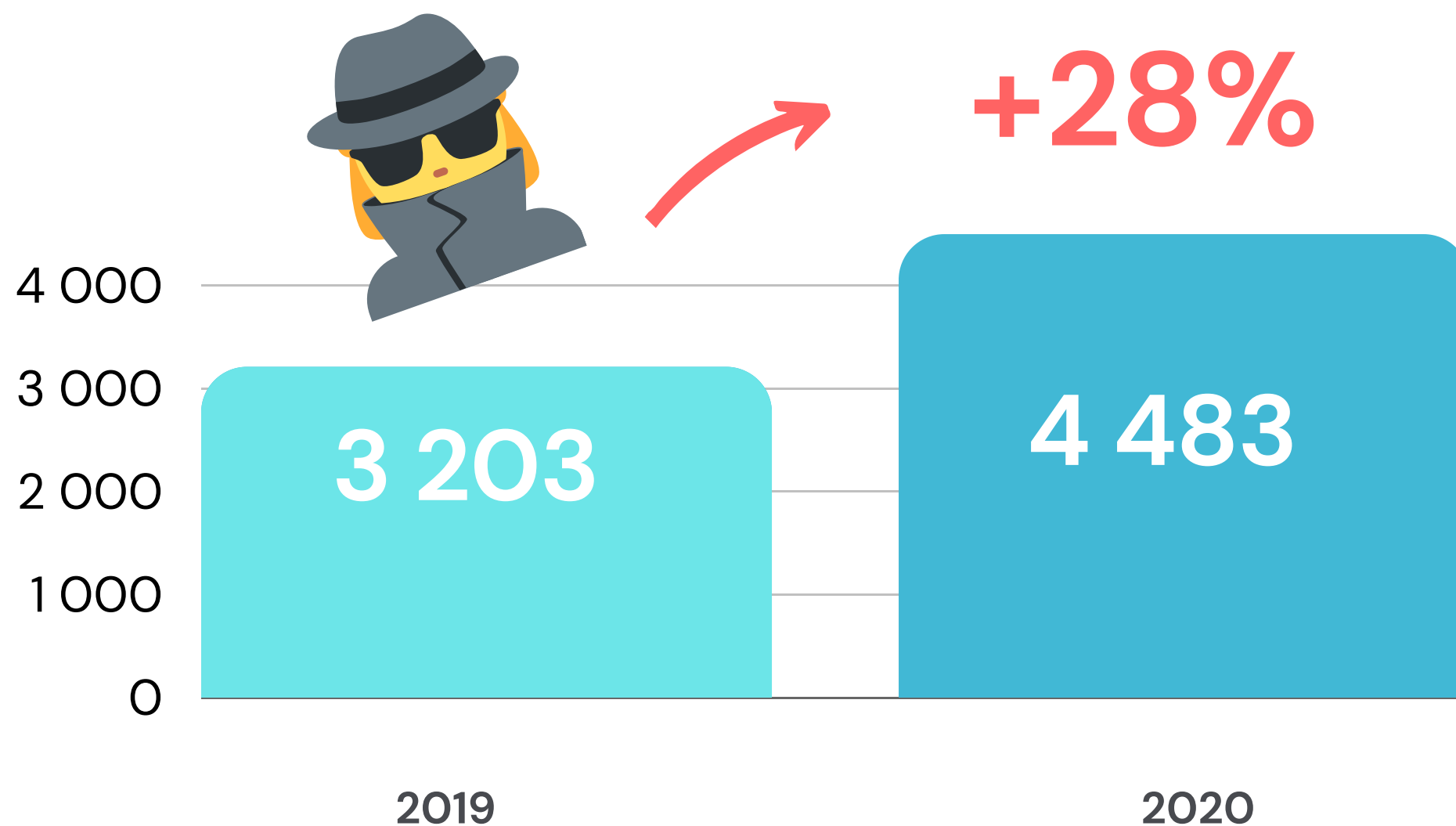
increased rates of  
the non-residents  
income

+ 5,3  
BL UAH

Payers' self-increase of taxation base

## Suspicious operations

100% of detected suspicious financial operations were transferred to the State Financial Monitoring Service of Ukraine



**2 742**

of suspicious financial operations were detected with a help of risk-based approach

**80**

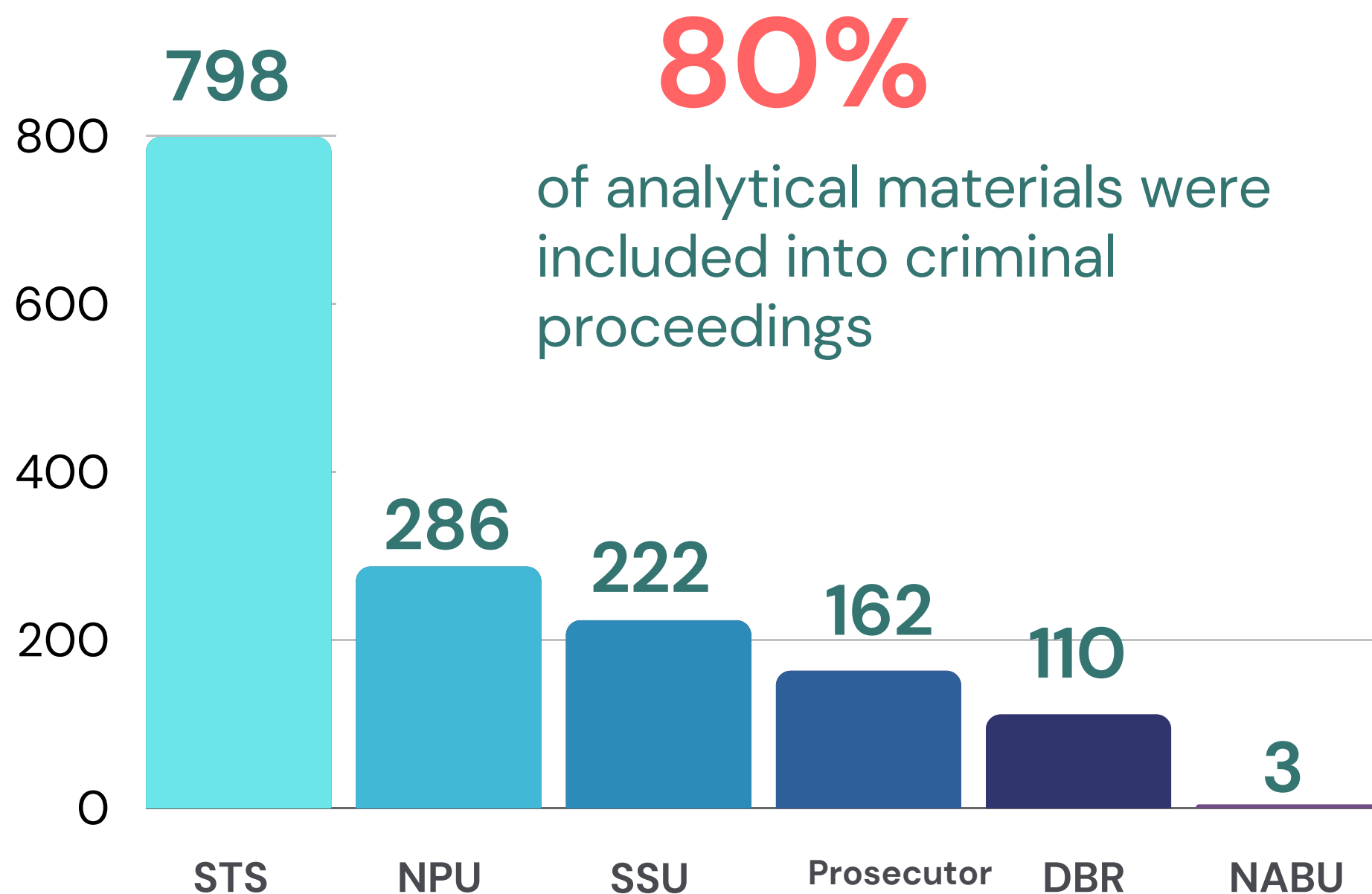
of generalized materials were compiled by the State Financial Monitoring System and handed over to the law enforcement agencies on the basis of revealed suspicious financial operations



# AUDITS, COUNTERACTION AGAINST ILLEGAL INCOME AND CORRUPTION

## Counteraction against the money- laundering in 2020

### Analytical research handed over to the law enforcement agencies



**14,0 BL UAH**

is the amount of legalized income  
which is subjected to investigations  
within framework of criminal  
proceedings

**36,7 BL UAH**

is the amount of established losses  
which are being investigated in the  
criminal proceedings

# AUDITS, COUNTERACTION AGAINST ILLEGAL INCOME AND CORRUPTION

## Counteraction against the money- laundering in 2020

### EXPORT

Counteraction  
against  
export schemes by  
fictitious economic  
entities

81 analytic research  
was written for the  
total amount of  
legalized assets  
**3,0 BL UAH**

approximate budget  
losses  
**- 1,3 BL UAH**



Counteraction  
against construction  
schemes and sale of  
immovable property  
without registration  
of entrepreneurial  
activity

Estimated budget  
losses amounted to  
**189,3 mln UAH**

18 sets of materials  
are being worked on  
by the law  
enforcement  
agencies



Detection of tax  
abuse by the  
security market  
players

Research was made with  
respect to **21 payers**,  
documents were handed  
over to the law  
enforcement  
agencies

Materials with respect  
to **269** economic  
entities were prepared  
and  
handed over to the  
Audit departments for  
further audits



Joint work  
conducted by the  
audit units with  
respect to  
enterprises that  
used services of  
"conversion centers"

Conducted audit of  
**245 payers** for more  
than **6,6 BL UAH**

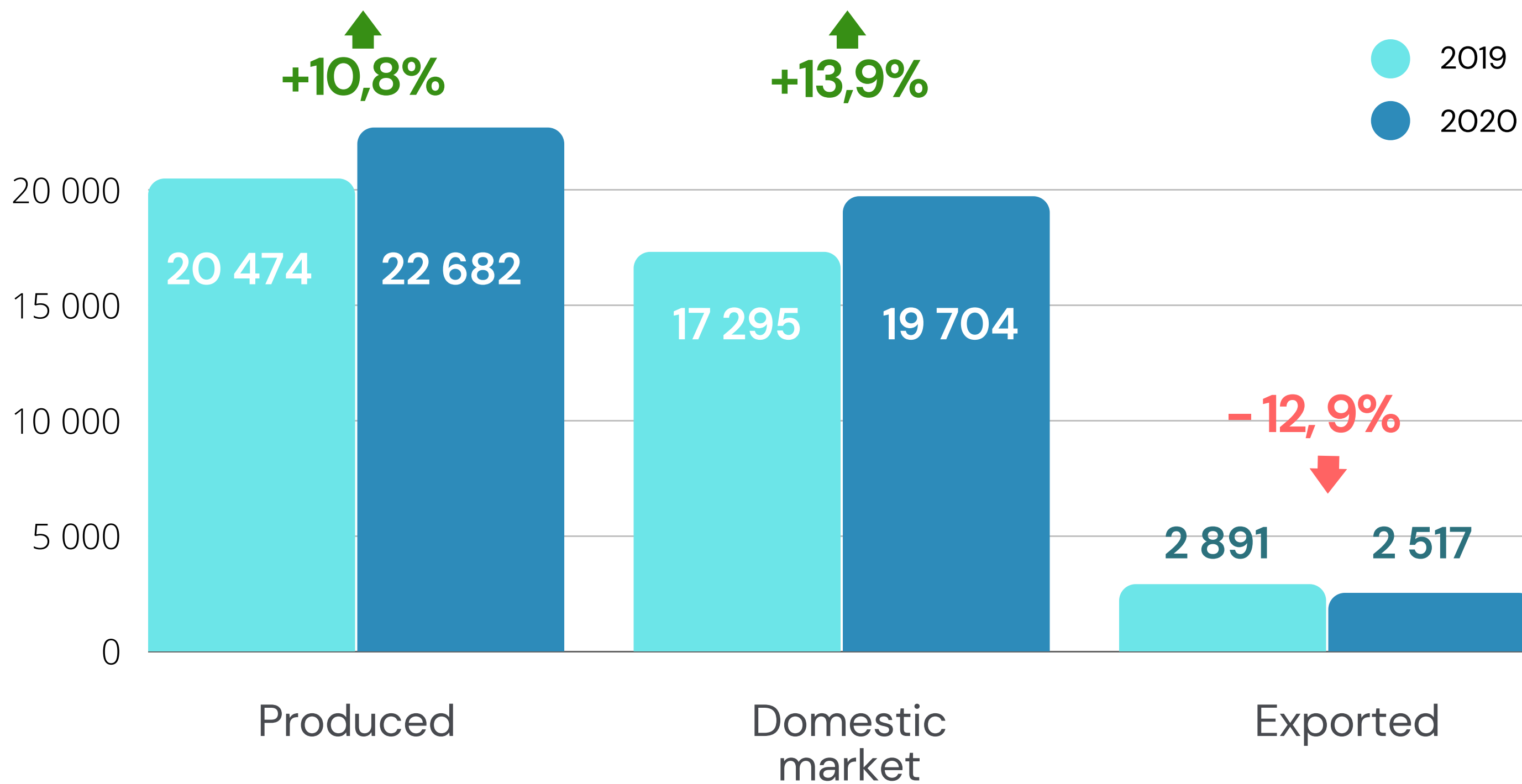
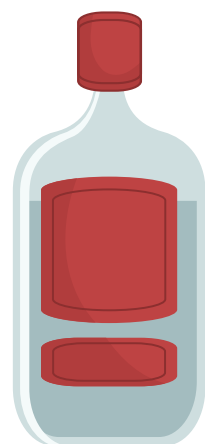


Work based on  
materials of  
Temporary inquiry  
commission of the  
Verkhovna Rada of  
Ukraine

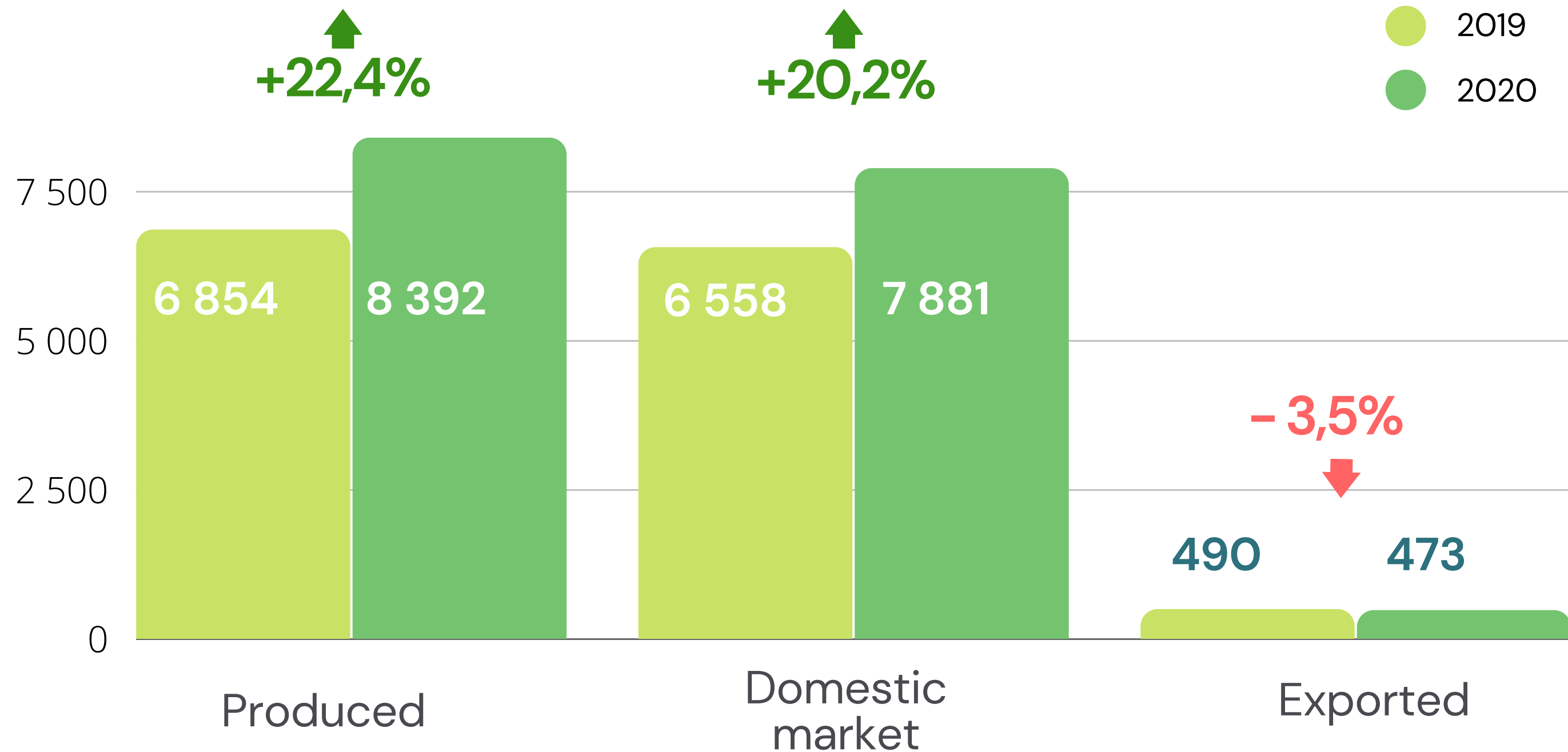
Analytical materials  
were prepared for **8.2  
BL UAH** – total amount  
of losses

Amount of seized  
funds on bank  
accounts is  
**26,9 mln. UAH**

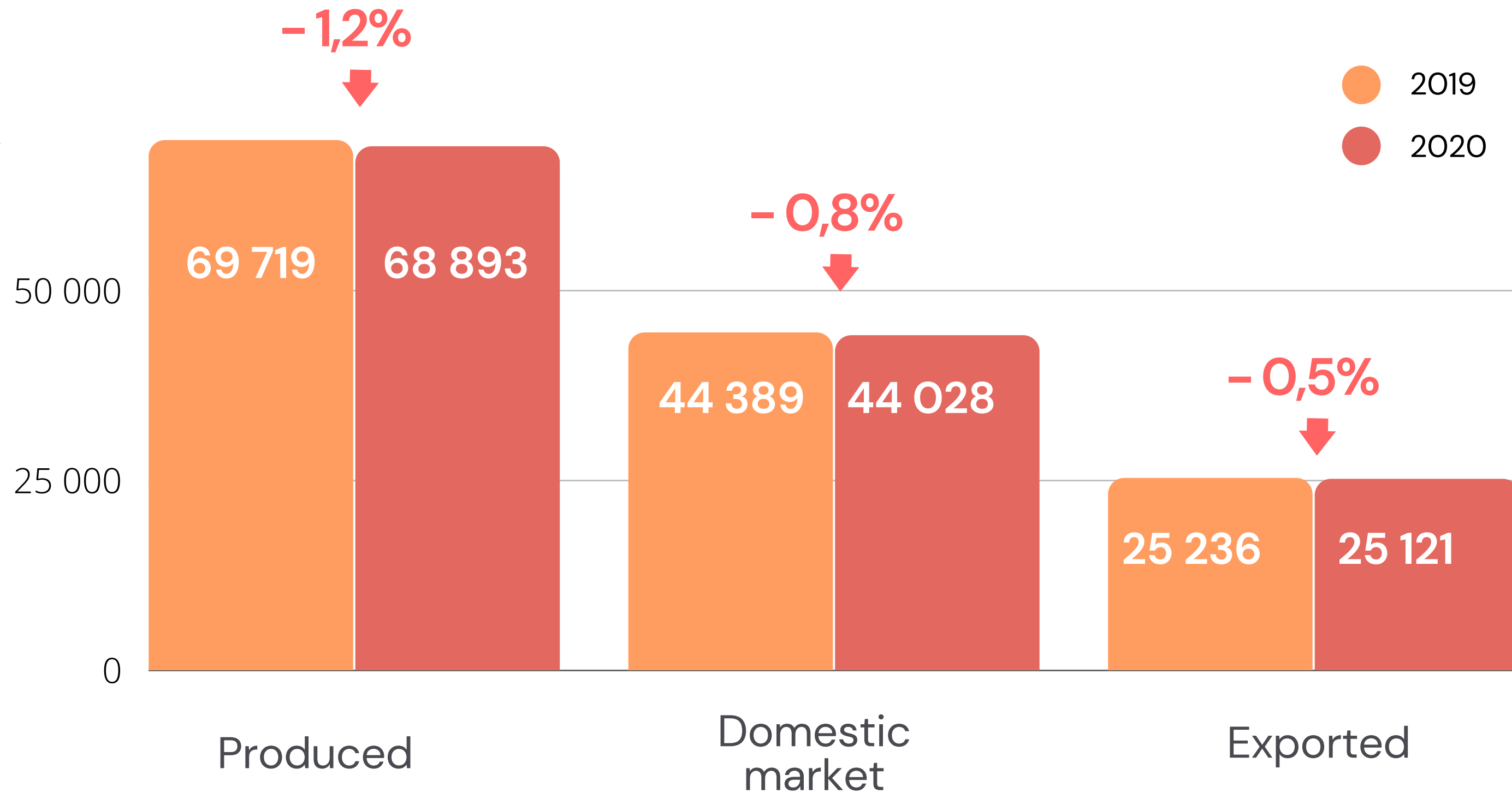
## Dynamics in the production and sale of liqueur and alcohol products over 2019–2020, thousand in decaliters



# Dynamics in the production and sale of liqueur and alcohol products over 2019–2020, thousand in decaliters

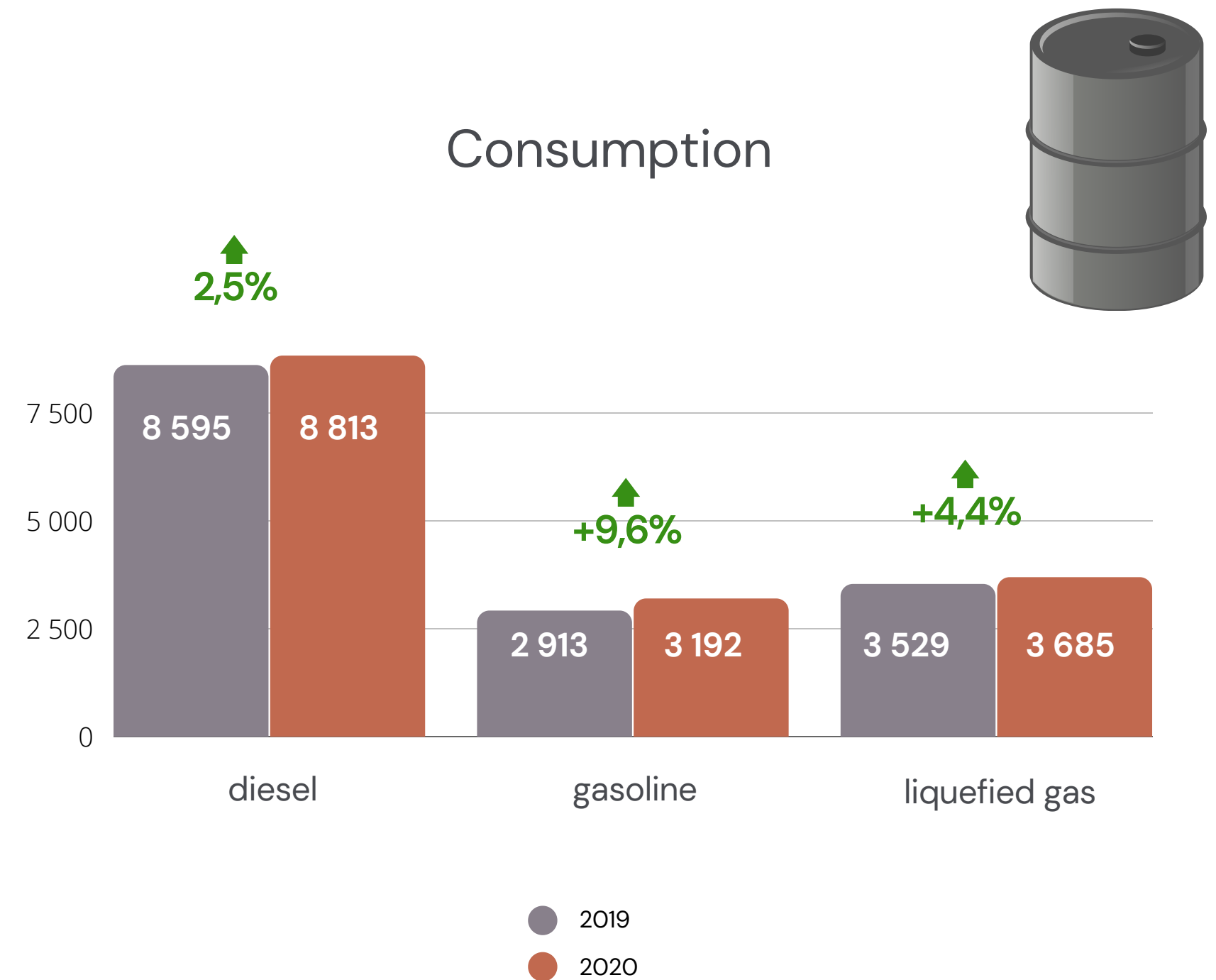
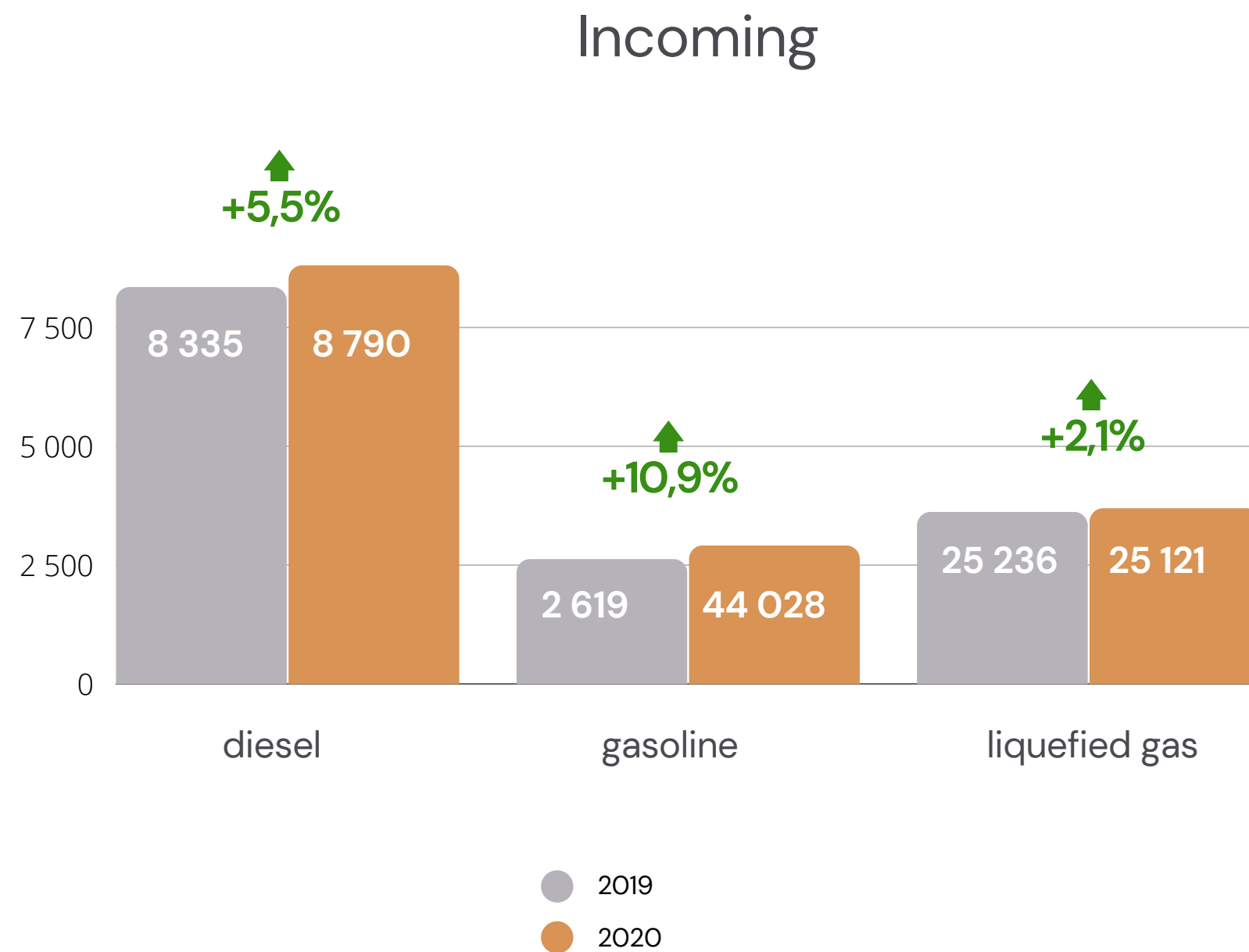


# Dynamics in the production and sale of liqueur and alcohol products over 2019–2020, thousand in decaliters





# Dynamics in the production and use of fuel over 2019–2020, mln. liters



# Courts

## Budget revenues received in the result of court litigation

Status of budget revenues in the result of court litigation (as of January 1, 2021)



Amount (BL. UAH )

8

6

4

2

0

1 400

12 months of 2019

+328%

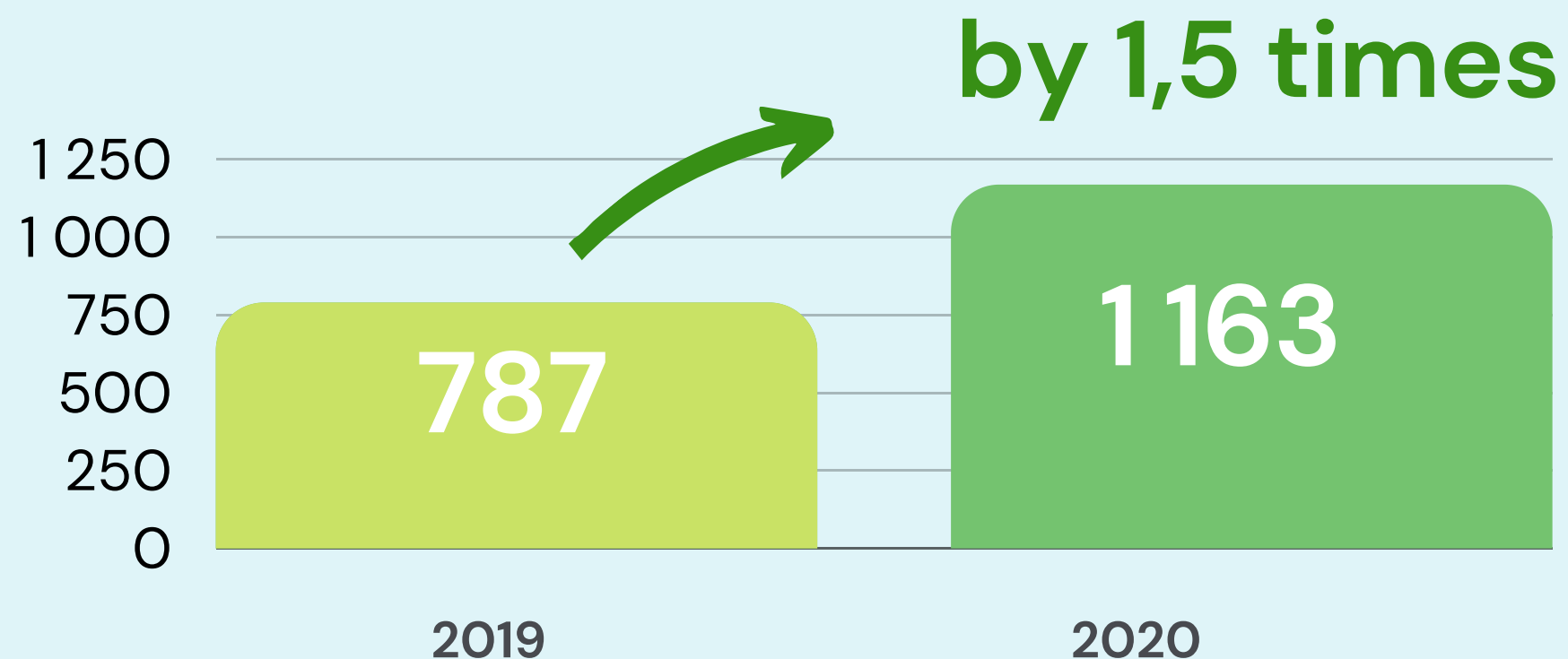
6 000

12 months of 2020

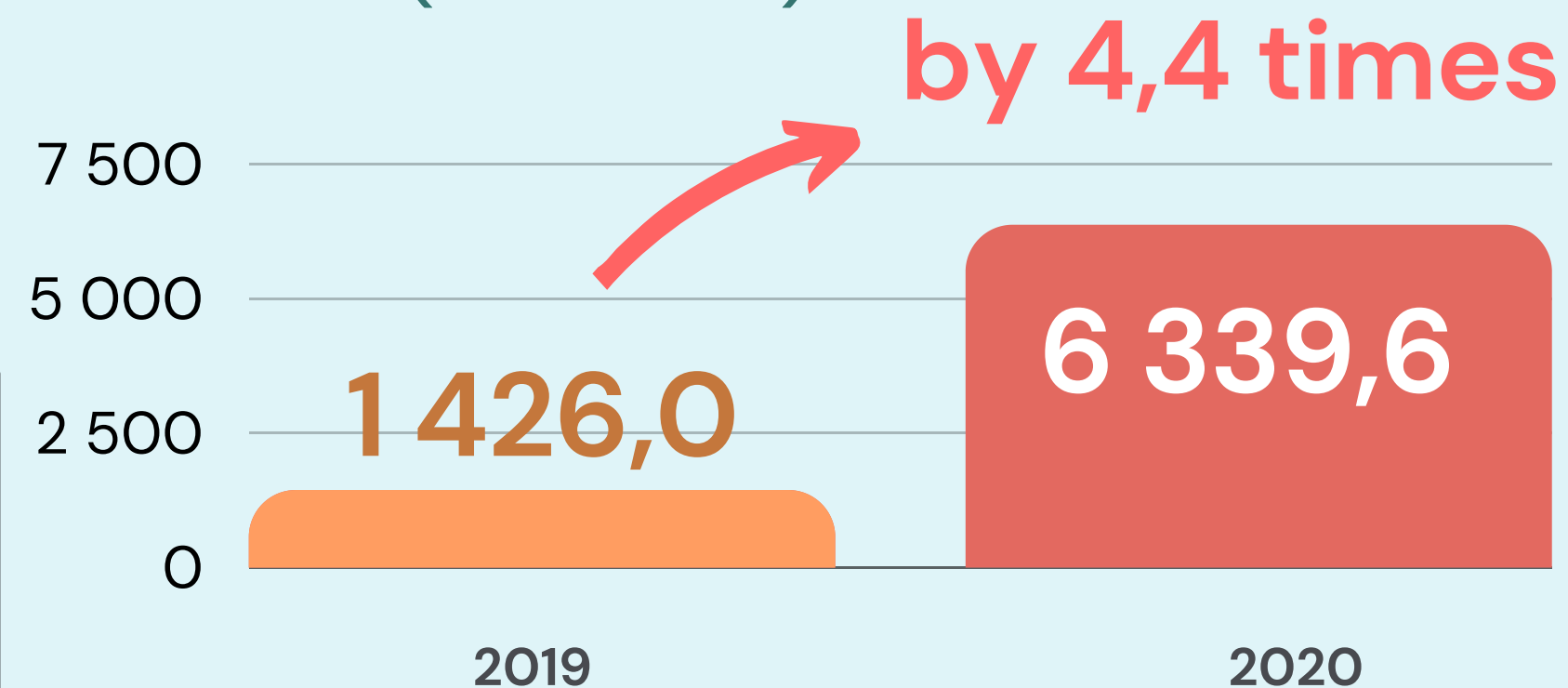


## Final decisions (appeals against tax accruals)

Courts of different instances made 11 63 final decisions in favor of the STS in 2020, which is 1.5 times more compared to 2019



Amount (BL. UAH )

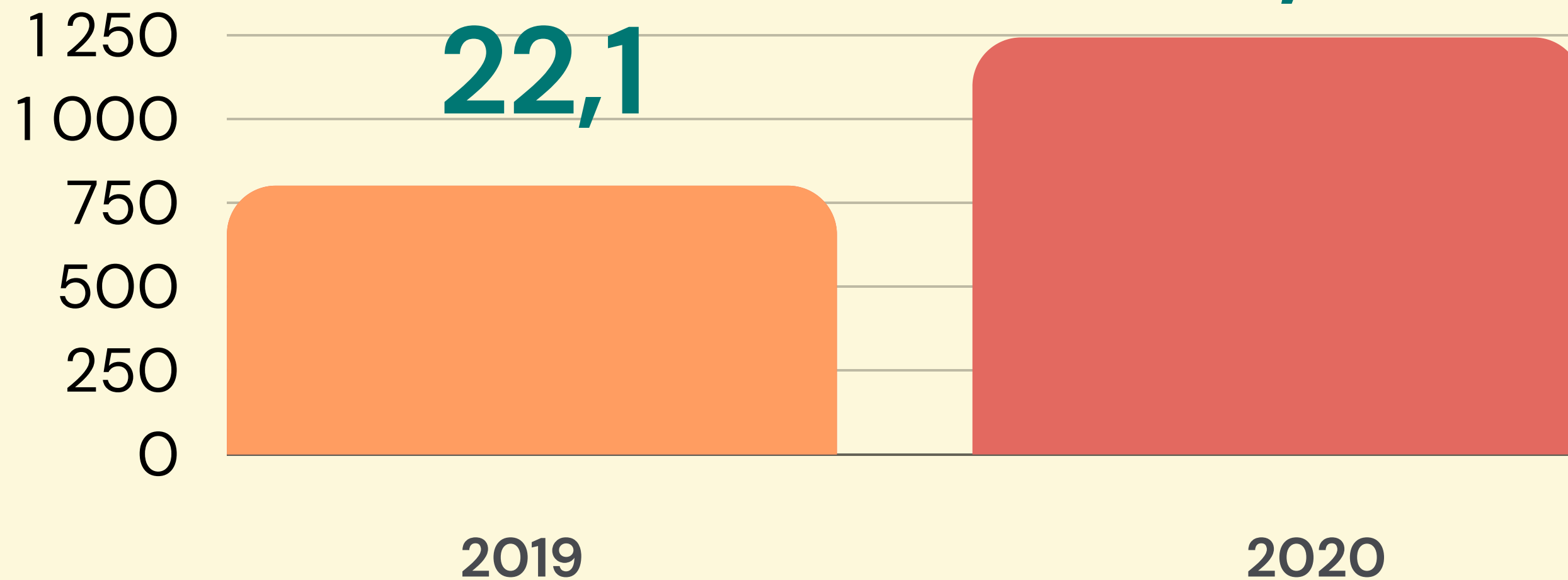


Amount according to final decisions in favor of the STS amounted to 6 339,6 mln UAH, which is 4.4 times more compared to 2019

## Consideration dynamics of court cases filed by the payers (appeals against other decisions)

Court decisions in favor of the STS amounted to 22.2 BL UAH in 2020, which is by 300 mln. UAH more compared to 2019

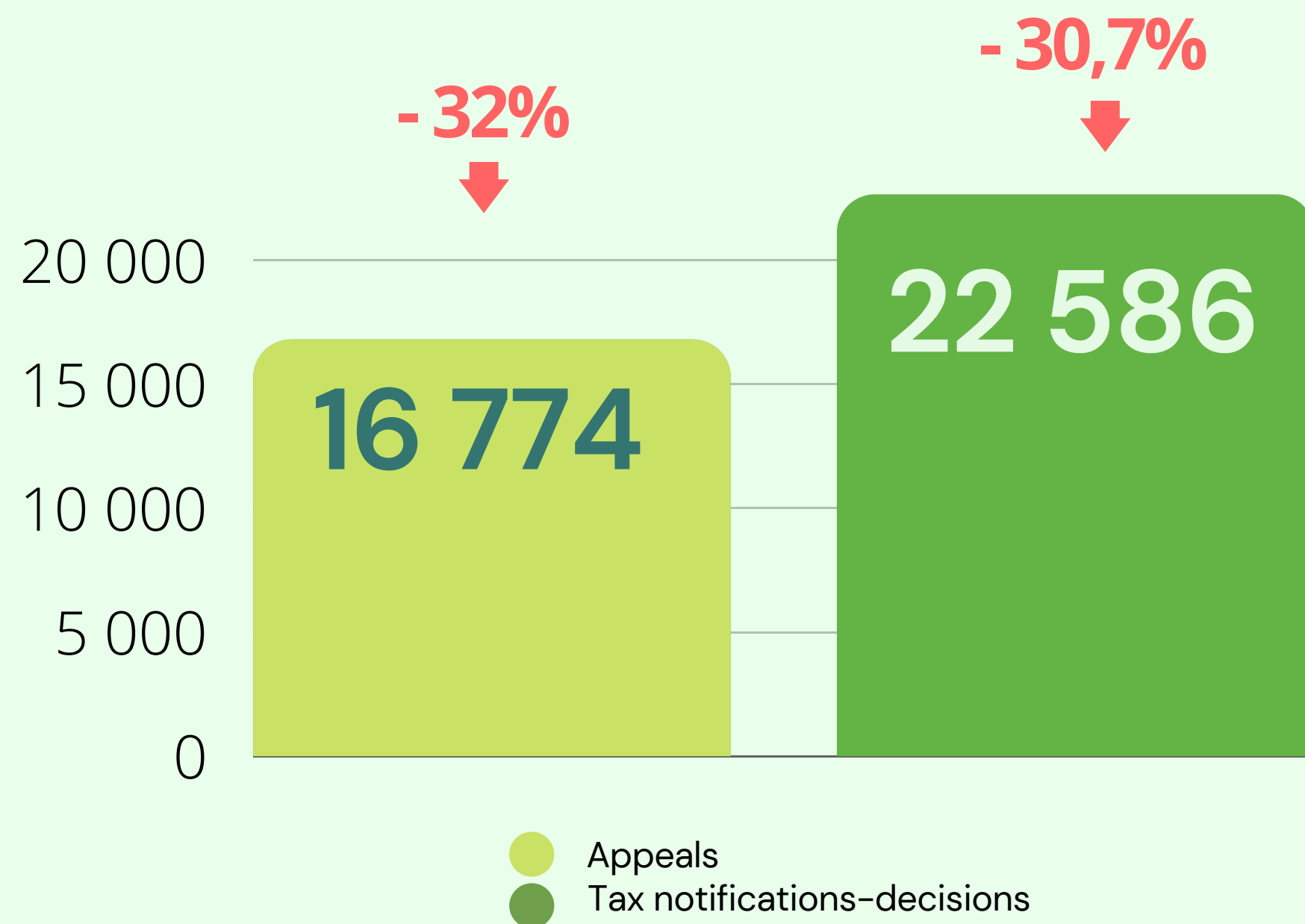
Amount (BL. UAH )



# Courts

## Administrative appeals

5492 tax notifications–decisions for 9 421.2 mln UAH were fully or partially cancelled in the taxpayers' favor



STS considered  
21 399 tax  
notifications–  
decisions for  
58 175.6 mln. UAH  
in 2020

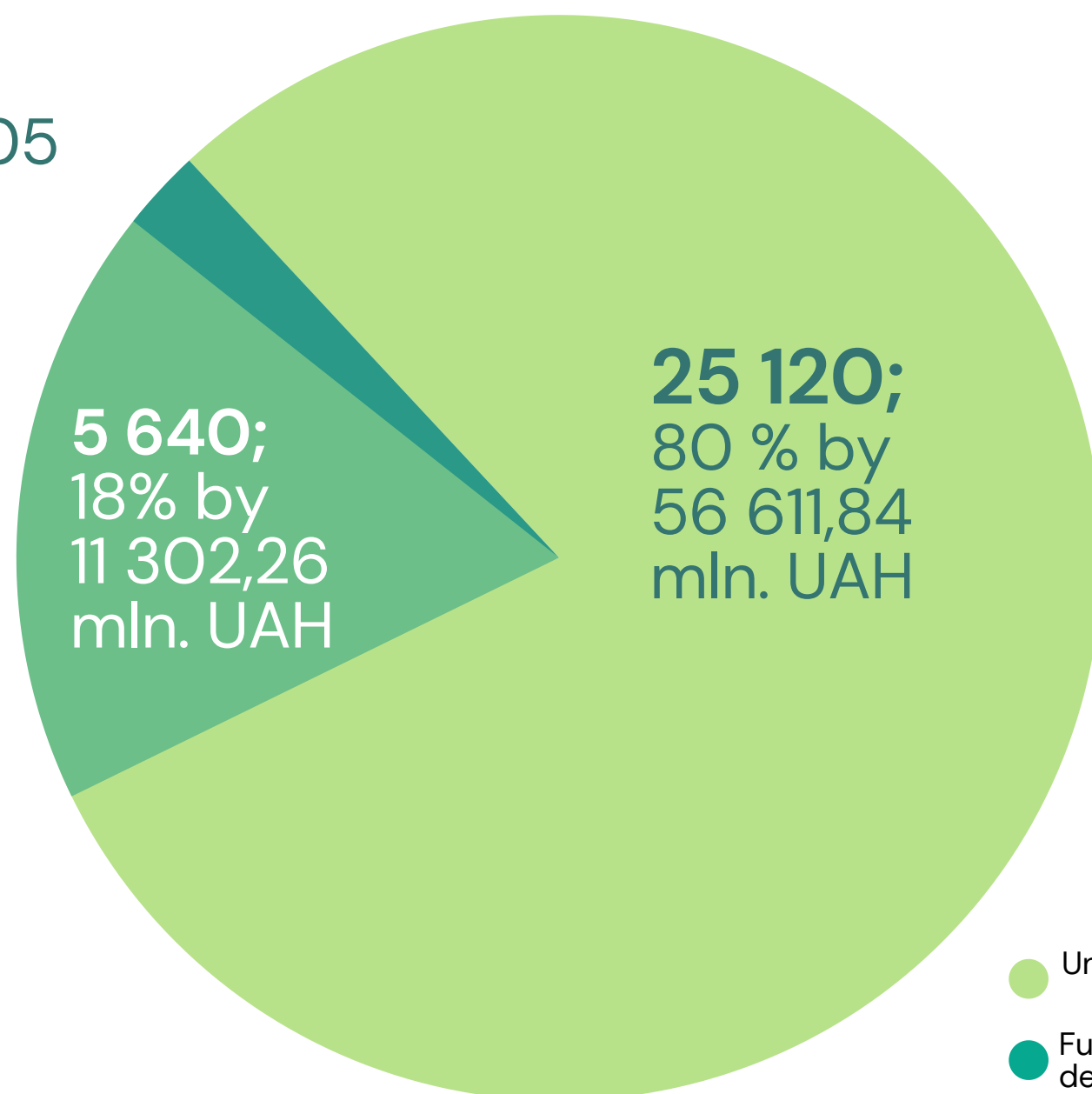


# Comparison of results of the SSC payers' appeals requesting to review tax notifications-decisions made by the controlling bodies

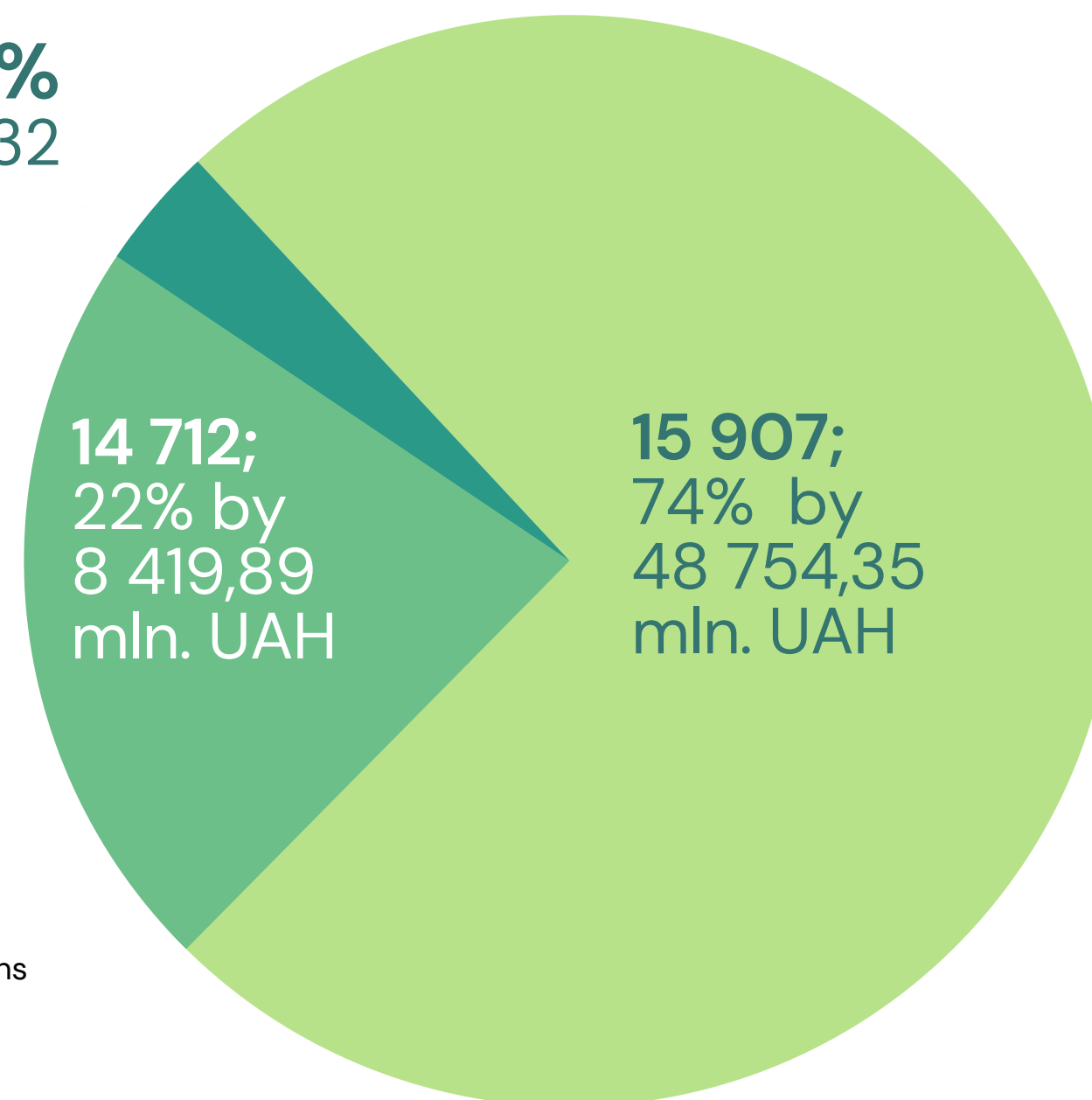
## 12 months of 2019

## 12 months of 2020

**763; 2%**  
for 3 459,05  
mln. UAH



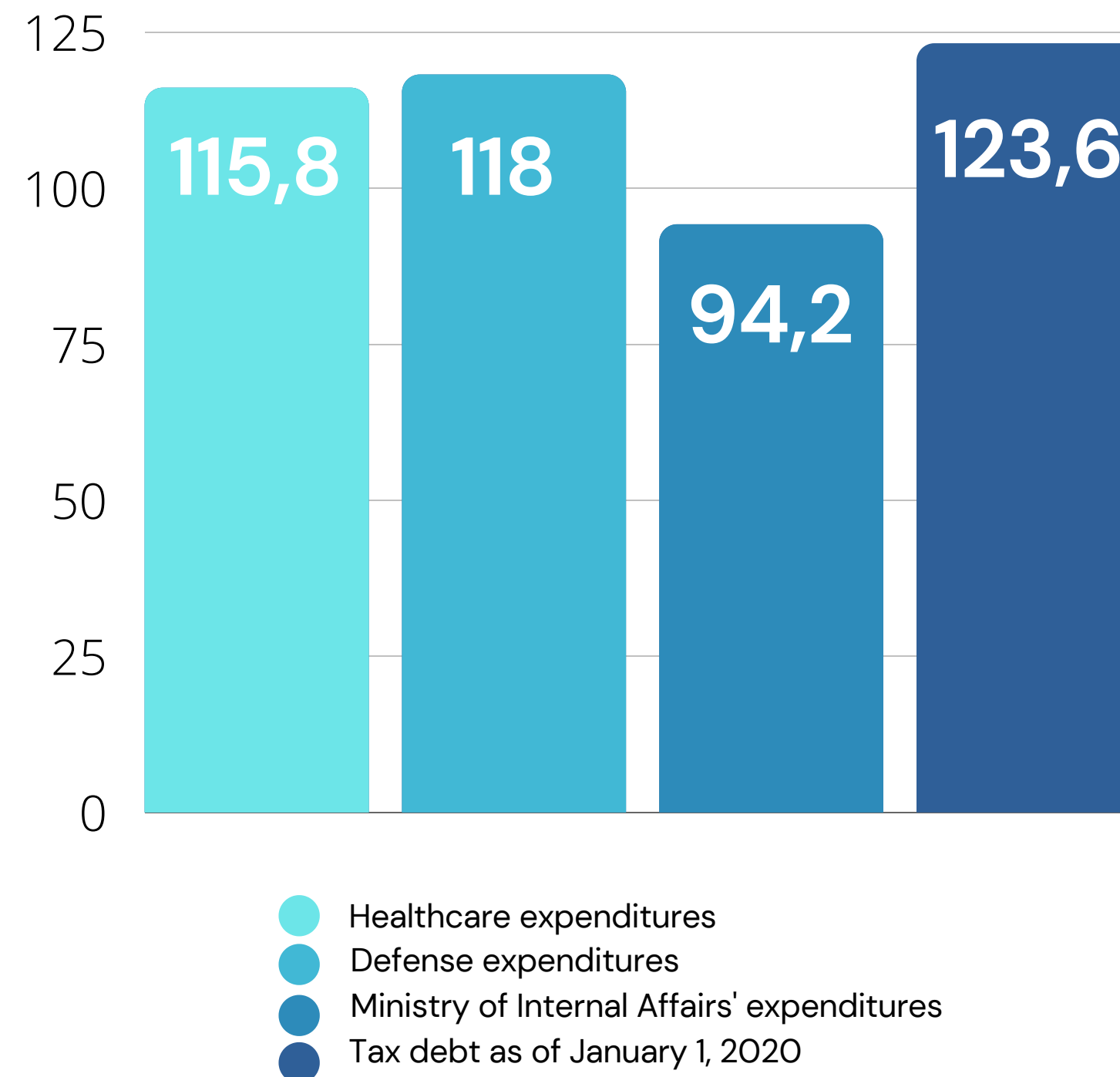
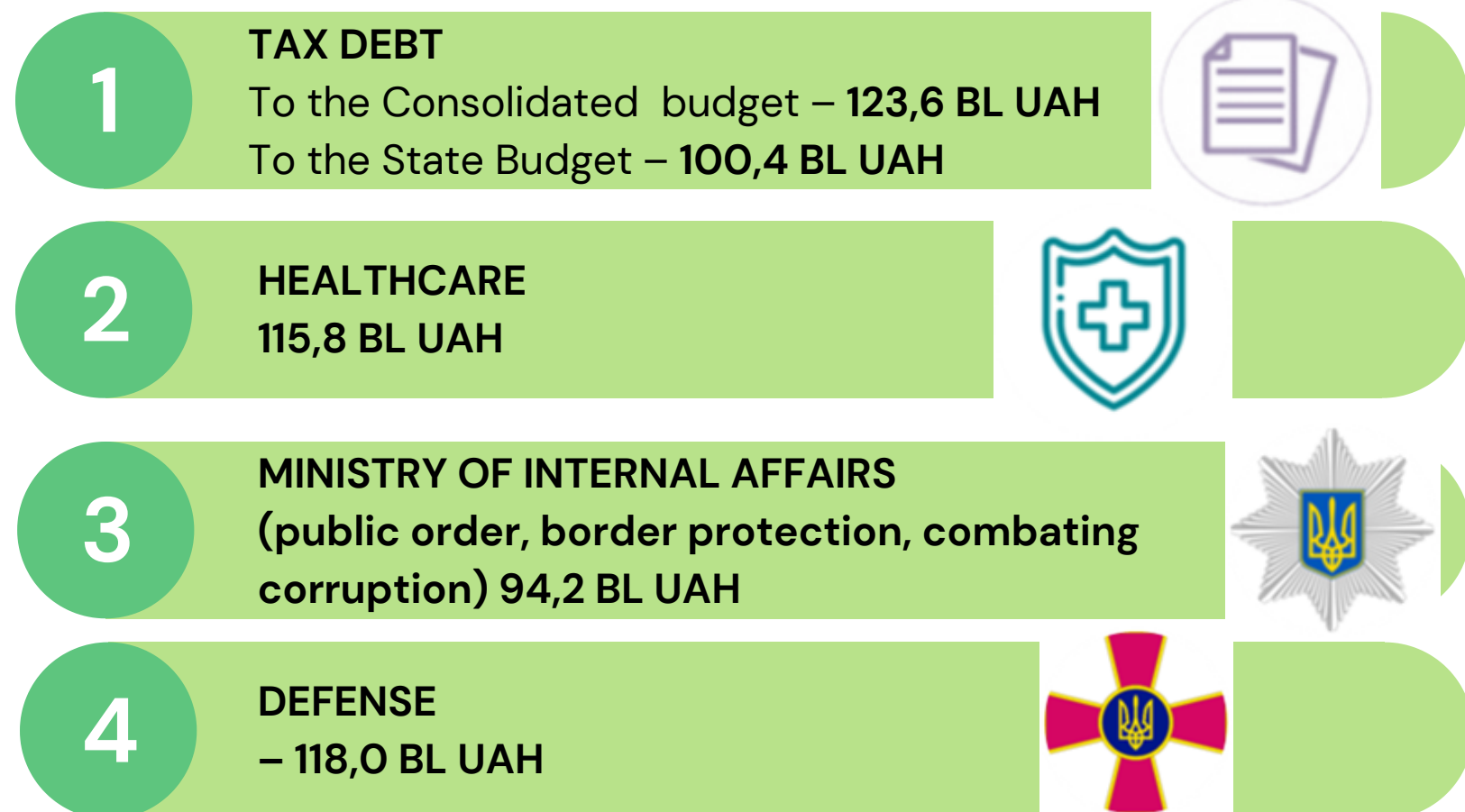
**1780; 4%**  
for 1 001,32  
mln. UAH



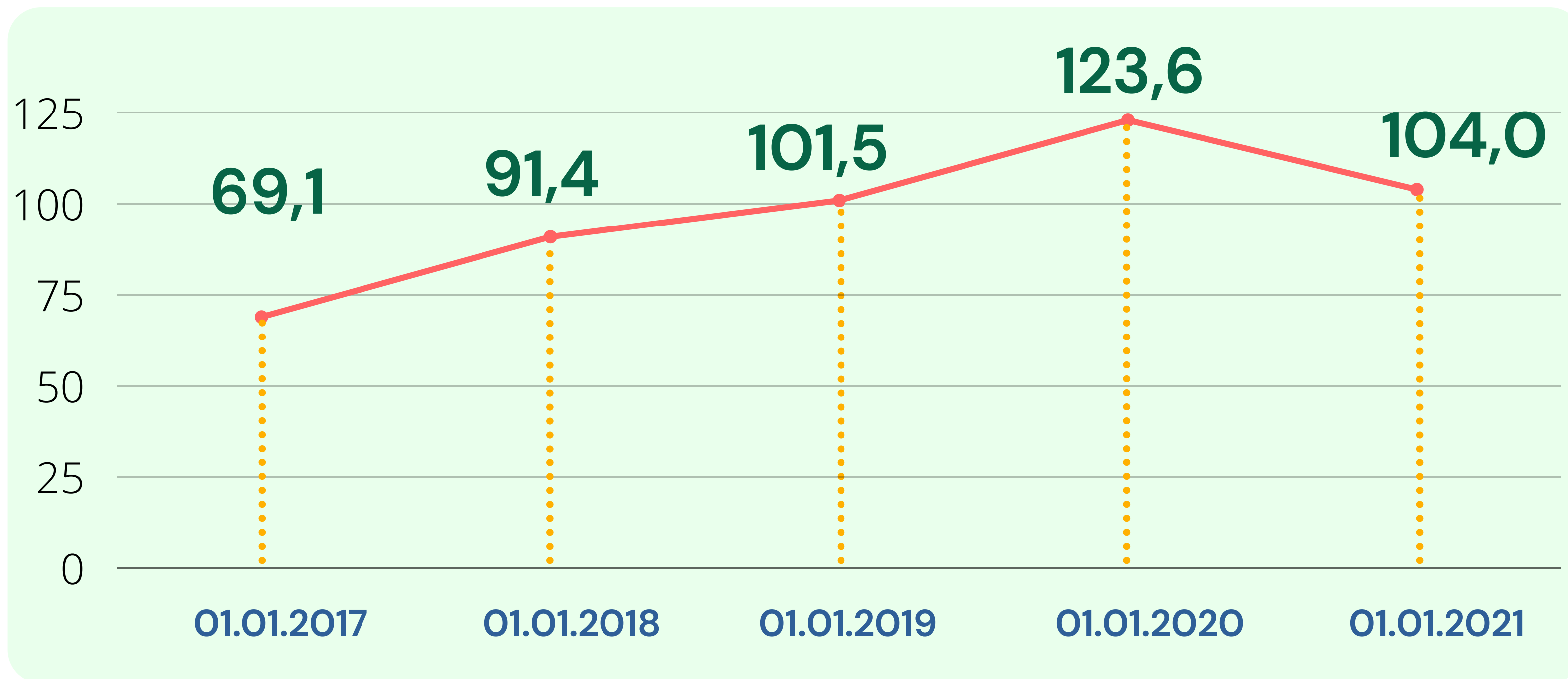
- Unchanged tax notifications-decisions
- Fully cancelled tax notifications-decisions
- Partially cancelled tax notifications-decisions



# SOME ECXPENDITURES OF THE STATE BUDGET 2020 AND THE TAX DEBT

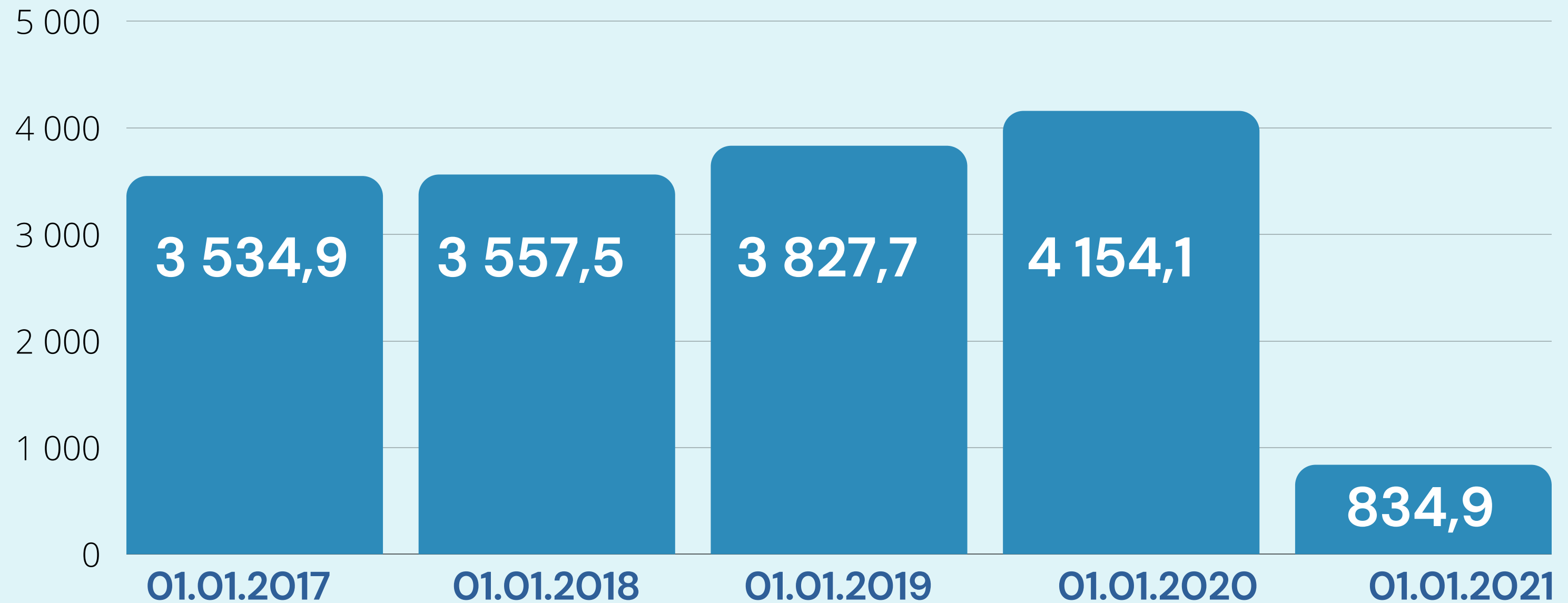


## DYNAMICS OF THE TAX DEBT TO THE CONSOLIDATED BUDGET FOR 2017–2020, BL UAH



In addition, the tax debt from customs payments amounts  
to 1.0 BL UAH as of January 1, 2021

## DYNAMICS IN THE NUMBER OF TAXPAYERS HAVING THE TAX DEBT OVER 2017–2020, THOUSAND OF PERSONS



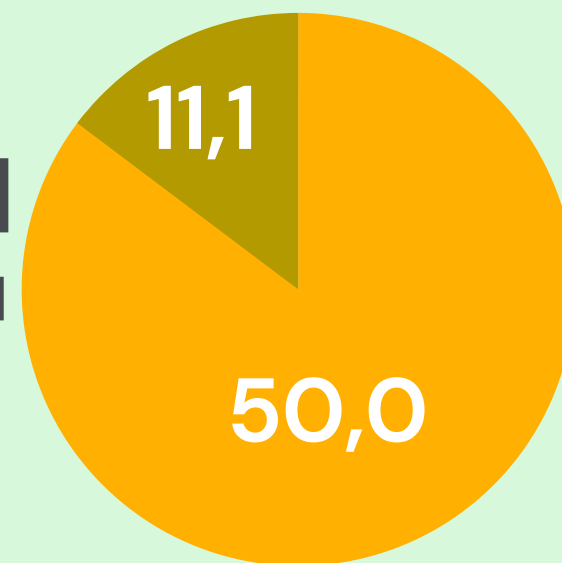
## Registrars of settlement operations / software version

## Services

The number of persons who  
registered software version is



**6,6 thousand**  
of which 0.7 thousand  
are legal entities and  
5.9 are individuals-  
entrepreneurs



Number of registered software  
registrars is:

**61.1  
thousand**

of which 50 thousand was  
registered by legal entities and 11.1  
by individuals-entrepreneurs

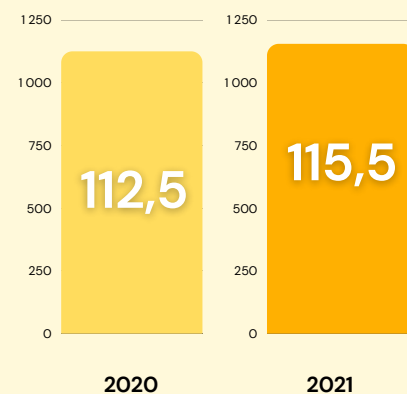
● legal entities (thousands)  
● individuals-entrepreneurs  
(thousands)

Fiscal receipts were  
received in the amount  
of:

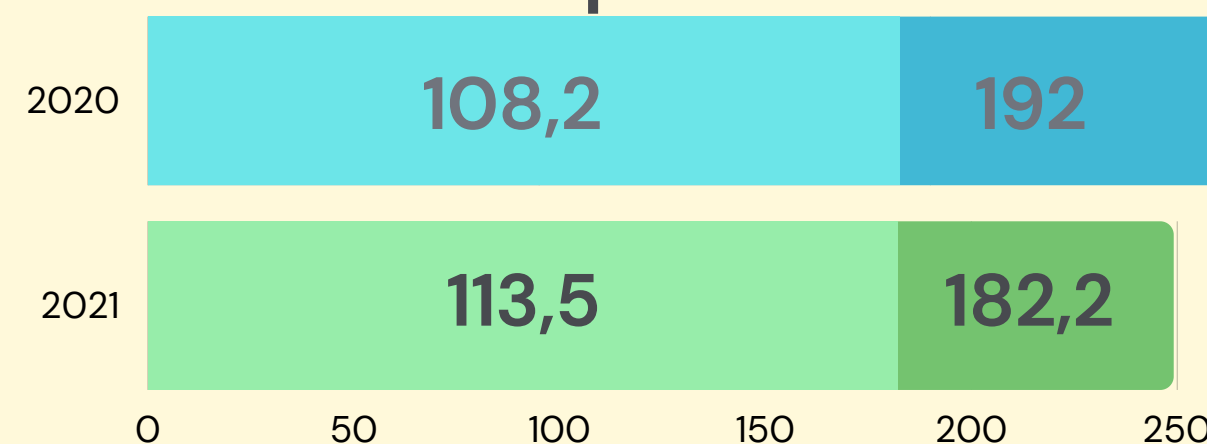
**112,0 mln**



Economic entities that  
registered RSO



Registrars of settlement  
operations:



**300,2**

**295,7**

● legal entities (thousands)  
● individuals-entrepreneurs

**Server received 6.0 billion fiscal documents in 2020**

# Introduction of a single account

**Single account was introduced on January 1, 2021**

## Advantages:

- 1 Simplification of payment mechanism to budgets and target funds to the maximum possible extent
- 2 Receipt of funds at the single account shall be considered as crediting of payments to budgets and target funds
- 3 Reduction in the number of erroneously and/or excessively paid monetary liabilities by the payer
- 4 Increasing level of openness, transparency and payers' trust to the state bodies

## Reference:

As of February 24, 2021

Amount of funds credited to the single account is 49,0 mln. UAH

Funds transferred from the single account is 35,0 mln. UAH

Single account is used by 1646 payers (594 legal entities and 1051 individuals)



## E-REIMBURSEMENT

IN 2020 THIS SERVICE WAS  
USED BY

**331 thousand  
PAYERS:**



- 340 thousand of electronic conclusions and notifications were formed and sent to the State Treasury Service
- 7.4 BL UAH was reimbursed from the budget

## Development of E-services

1

E-excise is a digital transformation of control over production and turnover of alcohol beverages and tobacco products (2 subprojects)

2

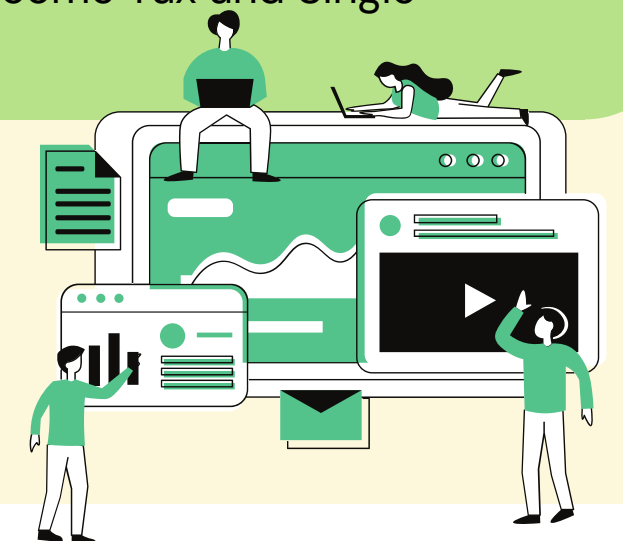
E-registars of settlement operations is a digital transformation of control over observance of procedure of payment operations (3 subprojects)

3

E-taxes is a digital transformation of administration of taxes, fees, payment of single social contribution (12 subprojects, 50 services)

4

Merged reporting (Personal Income Tax and Single social contribution)





# Electronic service the “InfoTax”



## 12 thousand users

(average monthly growth in the number of users is 6 thousand)

## about 20 services



1 Status of settlements to the budget

2 Registration and accounting data

3 Results of the document processing

4 Emergence of the tax  
debt

5 Deadlines for filing reports and payment of taxes

6 Information from the VAT electronic  
administration system

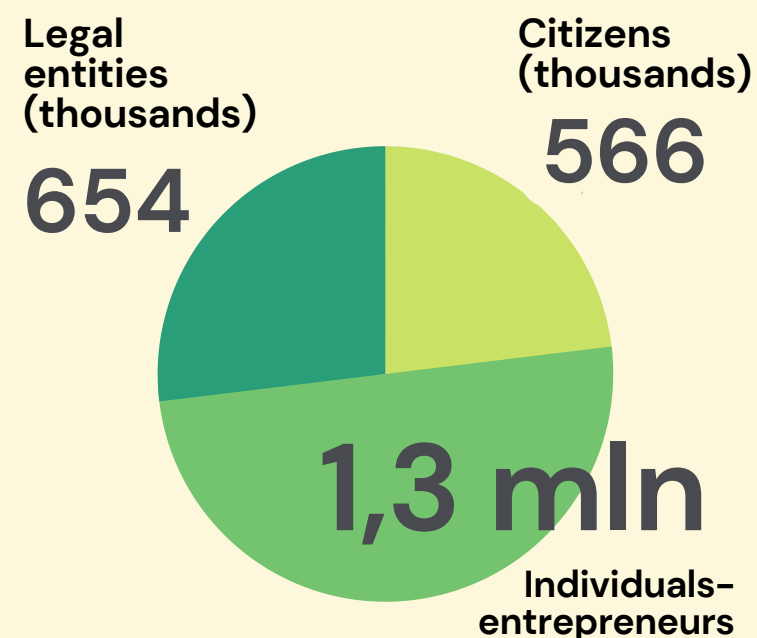
7 Information from the electronic administration  
system of ethanol and fuel

# Electronic cabinet (private part)

2,6  
mln of  
persons



+36%



# Electronic services

- 1 Updated interface of the E-cabinet
- 2 Fiscal receipt search
- 3 Excise stamp search
- 4 Expansion of options for payment of taxes by individuals-taxpayers
- 5 Creation of API token access to registers in the open part of E-cabinet
- 6 Creation of API of the E-cabinet
- 7 Receipt of excerpt in response to the information request on the taxpayer's authorized individuals
- 8 Receipt of notifications regarding the tax debt and the need to pay taxes and processing of electronic documents

# TAXservice

99% of digitalized  
services

e-cabinet  
<https://cabinet.tax.gov.ua>  
2,6 mln users

2021

100% services on line

Contact center  
0 800 501 007,  
<https://acskidd.gov.ua>  
900 thousand services  
2 mln certificates of the  
qualified digital signatre  
926 mln time marks

Official webportal  
<https://tax.gov.ua>  
650 visitors (average number  
per month)

24/7  
365

service

530 State tax inspections  
481 Taxpayer Service Centers  
<https://tax.gov.ua/tsentri-obslugovuvannya-platnikov>  
4,7 mln services

Infotax  
<https://t.me/infoTAXbot>  
12 thousand users

E-document  
481 mln. of incoming documents  
250 mln. of payment documents  
**6 BL of receipts**  
**(112 mln receipts of the software  
registrars of settlement operations)**  
**500 mln. outgoing documents**



7 0 0 0 0 0 0 0 0 0 0 0

Electronic documents