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Coronavirus (COVID-19): support for business in Ukraine and other measures

On 16 March 2020, the Cabinet of Ministers of Ukraine imposed a number of temporary restrictions to prevent the spread of coronavirus, including:

- prohibition of regular and irregular passenger traffic between cities and suburbs throughout Ukraine (except for transportation by passenger cars);
- prohibition of transportation of more than 10 passengers simultaneously in urban transport, including trams, trolleybuses, road transport and buses that carry out regular passenger traffic;
- prohibition of transportation by subway in Kyiv, Kharkiv and Dnipro;
- prohibition of passenger transportation by rail between cities and suburban services (except for transportation by railway according to a special decision of the Ministry of Infrastructure and some other state bodies);
- prohibition of holding mass events with more than 10 participants.

In addition, from 17 March 2020 all catering establishments (except for those cooking for delivery to the customer's address), shopping and entertainment centers, fitness centers, etc., have suspended their work. Operations of grocery and hardware stores, gas stations, pharmacies, banks and insurance companies and trade in communications means are allowed.

On 17 March 2020, the Verkhovna Rada of Ukraine adopted Laws of Ukraine No. 530-IX and No. 533-IX on support for business in Ukraine in connection with the spread of coronavirus (COVID-19) and its prevention. Among other things, the following measures are provided.

Employment and migration legislation

- **Sick leave allowance** is now provided, among others, for the period of stay in specialized healthcare facilities, as well as for the period of self-isolation under medical supervision in connection with activities aimed at combating the coronavirus.
- **Leave without pay.** The period of stay of employees on leave without pay during quarantine is not included in the period of leave without pay, the maximum annual amount of which is currently provided by law.
- **Working from home.** During quarantine or other restrictive measures related to the spread of the coronavirus, the employer may order employees to work from home or grant them leave (subject to the employee's consent).
- **Stay of foreign nationals in Ukraine.** Foreign nationals and stateless persons who were unable to leave Ukraine or apply for an extension of their stay in Ukraine or exchange of a temporary/permanent residence permit in connection with the quarantine, will not be subject to administrative responsibility for the violation of the rules of stay in Ukraine.

Support for business: taxes and duties

- **Unified social contribution (USC).** Temporary release from the obligation to calculate and pay the USC for private entrepreneurs, individuals carrying out independent professional activities and farmers.
- **Sanctions and penalties.** Temporary cancellation of fines for certain violations of tax legislation and late or incomplete payment of the USC or reporting on the USC, as well as the suspension of interest payments with respect to taxpayers and payers of the USC, together with the already accrued interest payment, for a specified period.
- **Payment for land.** Temporary cancellation of a land tax and rent payment for land plots of state and communal property that are in possession or use (including on lease terms).
- **Real estate tax.** The real estate tax on non-residential property is temporarily suspended.
- **Declaration of personal income tax.** The term to file the annual declaration of property and income for 2019 and to pay the relevant tax for 2019 has been extended.
- **Conducting inspections.** Temporary moratorium on tax audits and other planned measures of state supervision (control) in the field of economic activities subject to certain exceptions.

Commercial activities

- **Force majeure.** Opportunity to obtain a certificate on force majeure due to quarantine.
- **VAT.** Temporary exemption from VAT of operations for the import into the customs territory of Ukraine of certain medicines, medical devices or equipment necessary to combat the coronavirus.
- **Import duty.** Temporary exemption from import duties of certain medicines, medical devices, etc., required to combat the coronavirus. Customs clearance of such goods is done first and foremost.
- **Public procurement.** Temporary non-proliferation of the Law of Ukraine "On Public Procurement" with respect to procurement related to certain medicines, medical devices or equipment necessary to combat the coronavirus.

Responsibility

- **Administrative responsibility.** For the violation of the quarantine rules, an administrative fine up to UAH 34,000 (or USD 1,257) is available for citizens, and a fine up to UAH 170,000 (or USD 6,285) is available for corporate officers.
- **Criminal liability.** For the violation of sanitary rules and norms on the prevention of infectious diseases, criminal liability in the form of a fine up to UAH 51,000 (or USD 1,885), arrest for up to six months, restriction or imprisonment for up to three years are available. Actions that caused death or other grave consequences are punishable by imprisonment for up to eight years.

Information resources

- [Coronavirus Resource Center](#) provides for the key resources, legal alerts by jurisdiction and contacts in our offices who may provide any additional information.
- [Global checklist](#) specifically designed to assist employers in this challenging period.
- [Multijurisdictional guide for Europe](#), which also covers [Ukraine](#) among other countries, which answers the most popular questions employers have on this topic.

Additional notes

This LEGAL ALERT is issued to inform Baker McKenzie clients and other interested parties of legal developments that may affect or otherwise be of interest to them. The comments above do not constitute legal or other advice and should not be regarded as a substitute for specific advice in individual cases.

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