

SIMPLIFIED RULES FOR VOLUNTEERS: LESS BURDENSOME REGISTRATION FOR VOLUNTEERS AND TAX-EXEMPT CHARITABLE ASSISTANCE

23 December 2022

On 11 December 2022, the following laws making volunteering easier in Ukraine entered into force:

1. the Law of Ukraine "On Amendments to Paragraph 2-1 of Section VII "Final Provisions" of the Law of Ukraine "On Charity and Charitable Organisations" on Improvement of the Procedure for Inclusion of Benefactors - Individuals in the Register of Volunteers of the Anti-terrorist Operation and/or Implementation of Measures to Ensure National Security and Defence, Repulsion and Deterrence of Armed Aggression of the Russian Federation" No. 2757-IX dated 16 November 2022 ("**Volunteer Registration Law**"); and
2. the Law of Ukraine "On Amendments to the Tax Code of Ukraine Regarding Exemption from Taxation of Charitable Assistance Collected by Volunteers" No. 2747-IX dated 16 November 2022 ("**Volunteer Taxation Law**"),

together (the "**Simplification Laws**").

Registration in the Register of Volunteers

Volunteer Registration Law (i) cancels submission of a bank account certificate to be registered with the register of volunteers of the anti-terrorist operation and/or implementation of measures to ensure national security and defence, repulsion and deterrence of armed aggression of the

Russian Federation (the "**Register of Volunteers**"), and (ii) allows to submit a registration application in an electronic form.

Therefore, to be registered with the Register of Volunteers it is now enough to apply in a written or electronic form to any local state service by providing the following:

- details of a volunteer's bank accounts used for charitable activities; and
- tax ID /series and passport number (if tax ID is not available).

We expect that the proposed changes will allow online registration in the Register of Volunteers (for example, via the electronic services portal "Diia").

The registration in the Register of Volunteers is carried out within one business day.

Taxation of charitable assistance

Before the Volunteer Taxation Law the Tax Code of Ukraine provided for exemption from personal income tax (18%) and military duty (1.5%) of charitable assistance collected by a volunteer:

- after his/her registration in the Register of Volunteers; and
- in a tax year preceding the year of his/her registration in the Register of Volunteers.

For example, if the date of a volunteer's registration in the Register of Volunteers was 18 April 2022, the tax exemption applied to charitable assistance received after 18 April 2022 and during 2021. Accordingly, the exception did not apply to the period from 1 January 2022 to 17 April 2022.

The Volunteer Taxation Law clarifies that the collected charitable assistance is exempt from taxation if:

1. the volunteer has registered in the Register of Volunteers before 1 January 2023;
2. such charitable assistance was collected by the volunteer:
 - after his/her registration in the Register of Volunteers; or
 - in the period from 24 February 2022 to the date of his/her registration in the Register of Volunteers.

Follow our updates to find out about the adoption and entry into force of these and other laws.

SOURCE:

- [the Law of Ukraine](#) "On Amendments to Paragraph 2-1 of Section VII "Final Provisions" of the Law of Ukraine "On Charity and Charitable Organisations" on Improvement of the

Procedure for Inclusion of Benefactors - Individuals in the Register of Volunteers of the Anti-terrorist Operation and/or Implementation of Measures to Ensure National Security and Defence, Repulsion and Deterrence of Armed Aggression of the Russian Federation" No. 2757-IX dated 16 November 2022;

- [the Law of Ukraine](#) "On Amendments to the Tax Code of Ukraine Regarding Exemption from Taxation of Charitable Assistance Collected by Volunteers" No. 2747-IX dated 16 November 2022.

HOW WE CAN HELP YOU

EVERLEGAL Expertise

- ✎ preparation and submission of documents for inclusion of volunteers in the Register of Volunteers;
- ✎ preparation of constituent documents, legal support of opening and termination of charitable and non-governmental organisations, appointment or change of directors of such organisations;
- ✎ preparation of constituent documents, legal support of opening, reorganisation and termination of business entities, appointment or change of directors of legal entities;
- ✎ formalising powers of attorney in Ukraine and abroad for registration actions; and
- ✎ advising on compliance with Ukrainian legislation, in particular during martial law.

OUR EXPERTS

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