

UKRAINE REFORMS TRACKER WEEKLY

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IMF's benchmarks and soft commitments

Economic Security Bureau forms attestation commissions

The Bureau of Economic Security (BES) has begun forming attestation commissions responsible for staff evaluation and recruitment and has posted invitations to the business community to suggest candidates.

Under the new law, the panels must include six members appointed by the BES Director and six nominated by business associations and international partners, ensuring external oversight of the agency's integrity and personnel standards.

Source: Bureau of Economic Security of Ukraine

Cabinet prepares to privatize state shares in Sense Bank and Ukrgasbank

The government has approved a plan to begin preparing the sale of state-owned stakes in Sense Bank (100%) and Ukrgasbank (94.94%).

The privatization will proceed in three stages: asset preparation, competitive tender, and the signing of a purchase agreement. The move is part of Ukraine's wider strategy to reduce state participation in the banking sector.

Source: Cabinet of Ministers of Ukraine

New draft law proposes 50% profit tax on banks for 2026

Lawmakers have submitted draft law #14097, proposing a temporary 50% corporate-income-tax rate for banks in 2026, with a ban on carrying forward past losses. The measure is expected to raise about ₴30 billion (\$710 million) in additional revenue to help finance defense and other critical wartime expenditures.

Source: Verkhovna Rada of Ukraine

Obligations to the EU

Cabinet appoints commission for selecting new ARMA head

Ukraine's Cabinet of Ministers has appointed the selection commission for choosing the new head of the Asset Recovery and Management Agency (ARMA), as required by the recently adopted reform law. The commission includes both Ukrainian and international experts.

According to Transparency International Ukraine, the members include German prosecutor Wolf-Tilman Baumert, Portuguese financial-crimes expert Rita Simoes, Serhii But of Prozorro.Sale, Kateryna Ryzhenko of Transparency International Ukraine, and legal scholars Anzhelika Krusyan and Valentyna Lukyanets-Shakhova.

Source: Cabinet of Ministers of Ukraine

Parliament to consider several Ukraine Facility bills in the first plenary week of October

During the October 7–9 plenary session, Parliament plans to consider several draft laws required under the Ukraine Facility program.

Three of them will be considered in the first reading, including: ensuring transparency in local-government activities #14048, digitalization of enforcement proceedings #14005, restoring civil-service competitions #14030.

Moreover, the Verkhovna Rada has to vote in the final reading the draft law #13202-1 on support for the agricultural sector.

Source: Verkhovna Rada of Ukraine

Other key issues

Tax Committee backs draft law to create National Development Institution

Ukraine's parliamentary Tax Committee has endorsed the draft law #11238 establishing a National Development Institution, modeled after Germany's KfW. The draft law is expected to be considered during the October 7–9 plenary week.

The proposed bill transforms the current Entrepreneurship Support Fund into a broader financing mechanism. It also introduces war-risk insurance for investments, particularly in front-line regions.

Source: Verkhovna Rada of Ukraine

Ukrenergo Supervisory Board reverses decision to dismiss management

The supervisory board of Ukrenergo has reversed its earlier decision to dismiss CEO Vitalii Zaichenko and the company's entire management team, following internal discussions and mounting external pressure.

The board had initially voted on September 26 to remove Zaichenko, citing "loss of confidence". Zaichenko was alleged to have committed governance violations after he tried to appoint members of the executive board without an open competition citing an instruction from the National Securities and Stock Market Commission (NSSMC).

Instead of complying, the supervisory board removed all executives whose appointments were affected by the NSSMC's involvement, including Zaichenko. In response, the Ministry of Energy initially applied pressure – including through law enforcement actions and court motions – but ultimately agreed to a truce, dropping its push for new appointees while allowing the ministry's preferred CEO to remain in office.

On September 30, the board decided to reinstate Zaichenko and the initial management, effectively canceling its previous resolution.

Source: Ukrenergo, Ukrenergo Supervisory Board

Our monthly digests

Monthly digest

Tax Service Performance Digest

№5

August 2025

Key Highlights



On 1 August 2025, amendments to the State Budget of Ukraine entered into force, increasing projected tax revenues by UAH 91.8 billion. However, the nature of these changes is primarily technical: they reflect adjustments to future revenue expectations resulting from tax rate increases introduced earlier in the year, as well as the already recorded overperformance of tax revenues against budget targets.

Excluding the revenue overperformance already achieved, the budget was increased by UAH 24.7 billion for the period from August through the end of 2025, attributable solely to higher tax rates.

The current version of the State Budget disregards potential reserves from the formalisation of the shadow economy, which undermines incentives to combat informality and corruption.

As of 1 August 2025, the transitional period during which reduced fines were applied for violations of cash register (RRD/PRRO) regulations has ended. Full fines are once again being imposed:

- 100% of the value of goods (works, services) for the first violation;
- 150% of the value for each subsequent violation.

Issue #5 of the Tax Monthly Digest covers State Tax Service performance in August 2025.

The digest offers in-depth analysis of:

- progress on anti-corruption and EU integration efforts in tax administration;
- key STS performance indicators;
- shifts in the shadow economy.

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