

UKRAINE REFORMS TRACKER WEEKLY

Issue 5 (86) • 9-15 December 2024

IMF's benchmarks and soft commitments

Tax Committee approves bills extending tax benefits

The Committee on Finance, Tax, and Customs Policy has recommended the adoption of two draft laws exempting certain imports and other operations from taxes and customs duties. Specifically, the proposed laws suggest: exempting components imported for the production of ammunition and shells as well as components for all types of drones from customs payments; extending tax benefits for the import of UAVs, night vision devices, and anti-drone rifles; introducing personal income tax exemptions for funds raised by volunteers for charitable foundations etc.

The Verkhovna Rada is scheduled to review these draft laws during its sessions on December 17–20, 2024.

Source: the Verkhovna Rada of Ukraine

Parliament to consider draft law on High Administrative Court

According to the agenda shared with MPs, this week the Verkhovna Rada is expected to discuss a draft law establishing a new High Administrative Court. However, the updated draft text has not yet been submitted to Parliament. The deadline for this step, as stipulated in the IMF Memorandum, is the end of December. It's worth mentioning that the upcoming sessions of the parliamentary meetings from December 17–20 will be the last for the year.

As noted in Issue 4, the Rada previously rejected three draft laws on the above-mentioned issue, as they were found to contradict Ukraine's commitments under the IMF financial support program (EFF).

The benchmark for cancelling "Lozovyy amendments" is at risk of not being met on time

In December, the deadline approaches for Ukraine to fulfil the IMF Memorandum requirement to amend the Criminal Procedure Code. These amendments have to enable the SAPO to manage extradition and mutual legal assistance requests and rationalize consequences from expiration of time limits for pre-trial investigations cancelling so-called "Lozovyy amendments".

Currently, the structural benchmark is proposed to be addressed through amendments to another draft law #10242. The bill is widely criticized by anti-corruption NGOs such as Anti-corruption Action Centre, Dejure Foundation, Transparency International Ukraine for increasing the risks of criminal liability for investigative journalists. Given that the parliament will hold only one plenary week before the end of the year, there is a risk that the structural benchmark will not be met on time.

Moreover, anti-corruption experts insist that the provision to transfer the authority to extend pre-trial investigations within a year from investigative judges to prosecutors must be incorporated into the draft law.

Other key economic issues

Ministry of Social Policy proposes pension reform draft law

The Ministry of Social Policy has unveiled a draft law on pension reform. The proposal includes updating the solidarity-based pension system by introducing a basic pension level, simplifying the calculation of current pensions insured by the state, and establishing a mandatory second-tier pension system based on accumulated savings. Before submission to Parliament, the draft law must receive approval from the Cabinet of Ministers.

Source: the Ministry of Social Policy

Our monthly digests



The NGO Technology of Progress is starting to publish the Customs Monthly Digest

The digest offers a clear and concise overview of how customs operate, tracks the progress of customs reforms, and provides updates on Ukraine's commitments in the customs sector under international financial assistance programs and the EU integration path.

In Issue #1 which covers customs performance in Oct 2024 you can find:

- Key monthly performance indicators of the State Customs Service.
- A progress tracker and in-depth insights into the implementation of customs

reform.

• Professional commentary and analysis from customs experts.

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The NGO Technology of Progress is launching a monthly analytical digest on State Property Management

What's inside Issue #1:

- Key monthly indicators and updates on the Asset Recovery and Management Agency (ARMA) and the State Property Fund (SPFU) performance in October 2024.
- Analysis and recent updates of reforms in corporate governance and state ownership policies.
- Tracker of fulfilment of Ukraine's commitments in managing state assets under international financial assistance programs.

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The project "Promoting integrity in the public sector (Pro-Integrity)" was made possible thanks to the support of the American and British peoples, provided by the United States Agency for International Development (USAID) and UK International Development.

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