

# MAIN ACHIEVEMENTS

## of the Ministry of Finance of Ukraine in 2020



MINISTRY OF  
FINANCE OF  
UKRAINE

01

The **2021 State Budget Law** developed and adopted.

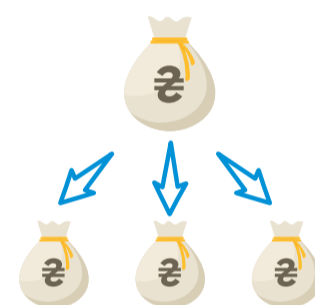
- ✓ The state budget is a feasible **budget of opportunities for development**
- ✓ Key budget parameters are **agreed with the IMF**



02

The introduction of the **two-tier system of interbudgetary relations** starting in 2021 is provided

- ✓ Established interaction between the state budget and **1,438** budgets of rural, settlement, and urban territorial communities
- ✓ All local budgets **received the same revenues sources and expenditure powers**



03

Despite a significant deficit of the state budget at the beginning of 2020 (**UAH 39.5 billion during January-April**), the fulfillment of its annual revenue indicators is ensured

**1,052.7 UAH billion** received by the state budget as of 24.12.2020

Or **+3%** above the plan and **+5.4%** compared to the previous year

This allowed timely financing of expenditures on healthcare, education, social protection, defense and security, infrastructure projects and other priority areas.

At the same time, the **State Tax Service of Ukraine has executed the annual revenue plan in 11 months**

04

**COVID-19 Response Fund** created



**80.9 UAH billion**

The total amount of the Fund

**79.1 UAH billion**

Funds allocated in accordance with the Government's decisions

**51.0 UAH billion**

Used as of 22.12.2020

- ✓ On December 14, the **Government increased the COVID-19 Response Fund by UAH 6 billion** due to the savings in state budget expenditures, and on December 23, the Government allocated **UAH 1.3 billion** to purchase coronavirus vaccines.
- ✓ The fund also allocated **UAH 8.3 billion** to **support small businesses** and workers who suffered the most from the introduction of quarantine restrictions

05

**100.6 UAH billion**

Including

**23.8 UAH billion**

Was directed from the general fund of the state budget to support the healthcare sphere as of 22.12.2020

From the Covid-19 Response Fund

06

**Uninterrupted financing** of the development of road construction under realization of the **"Big Construction" project is provided**



**116.36 UAH billion**

Financed as of 21.12.2020

Including

**62.9 UAH billion**

from Ukrainian State Road Fund

**4.66 UAH billion**

from International Financial Institutions

**20.2 UAH billion**

from borrowings under the state guarantees

**28.6 UAH billion**

from the general fund of the state budget

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07 **5,000 UAH**



In order to raise the income level of the working population, the **minimum wage was increased**

from September 1, and the ratio between the size of the salary of employee of the I tariff category of the unified tariff system (UTS) and the minimum wage was preserved.

Funding to **increase wages for medical workers** that combat COVID-19 is provided

**5.5 UAH billion**

**Additional funds** has been allocated **on surcharges for medical workers** that combat COVID-19

08 **3.5 USD billion** Total amount



**2.1 USD billion**

Under the joint with the IMF Stand-By Program

**0.5 Euro billion**

Under the fourth EU Macro-Financial Assistance program

**0.6 Euro billion**

Under a new EU macro-financial assistance program

09 11 agreements were signed with international financial institutions (IBRD, EBRD, EIB, KfW) to **attract long-term concessional loans for development**



**1.75 Euro billion + 482 USD billion**

Funds will be directed to the road construction, improvement of transport infrastructure and network, energy security, healthcare and social protection

10



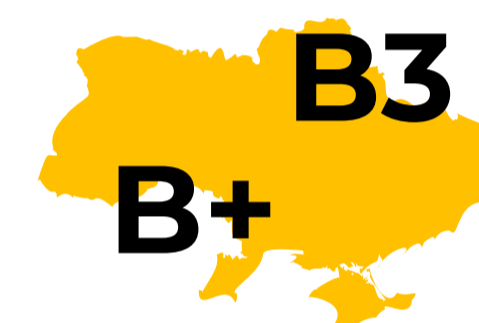
Ukraine's Ministry of Finance is recognized as the **Debt Management Office of the Year in CEE by GlobalMarkets**

**0.6 USD billion**

2033 Eurobonds tapped the market at historically lowest yield for USD bonds of **6.20%** on **December 18th**

11

**Ukraine is the only country that has received a rating upgrade during COVID-19 pandemic** and related international crisis



12.06.20 – International rating agency **Moody's** improved the rating to **"B3"** from "Caal"

03.09.20 – International rating agency **R&I** improved the rating to **"B+"** from "B"

12



The state program **"Affordable Loans 5-7-9"** – universal and effective mechanism for lending to micro and small businesses – has been established and expanded

As of 21.12.2020

**57,406**

Applications received

**6,864**

Loan agreements signed

**68 UAH billion**

Overall application amount

**15.9 UAH billion**

Agreement amount



**5 UAH billion**

Portfolio partial **state guarantee scheme to support micro, small and medium-sized enterprises** launched by the Government

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13



The government **approved the updated Strategic Reform Principles of the State Banking Sector**, the main (strategic) activities of Oschadbank, Ukreximbank, Privatbank for 2020-2024, and plans of state banks to reduce non-performing loans

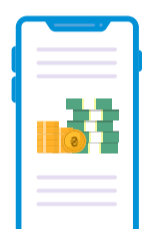
**25.2 UAH billion**

Amount of profits of state-owned banks during 10 months of 2020

by **55 UAH billion**

reduced the amount of non-performing loans

14



Ensured introduction of a **single account for tax payments** starting from 2021 – the system that significantly simplifies tax payment

allows taxpayers to directly manage overpayments and payments made by mistake through their electronic cabinet

15



In the sphere of **preventing money laundering and financing of terrorism, MONEYVAL committee highlighted Ukraine's progress** – the rating is increased **from negative** ("Partially meets") **to positive** level ("Mostly meets") under the two main areas:

- ✓ **Improvement of criminal law provisions**, which involves the crime of financing terrorism
- ✓ **Strengthening of sanctions** towards financial institutions and other declaring subjects for non-compliance with legislation preventing money laundering and terrorism financing

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To implement the **BEPS action plan** in Ukraine, particularly in the **area of transfer pricing**, conditions for receiving information about trans-border operations between countries **to prevent tax evasion** created

17



Starting from August 1, full-fledged functioning free application for the cash registers is available

**>4 thousand enterprises**

Enterprises already use cash registers

**≈58 thousand cash registers**

Registered

**>100 million documents**

Fiscally reported

The new format for submitting reports on accrual of Single Social Contribution, income tax is provided

18



All necessary regulations have been developed and adopted for the transformation of the **State Tax Service** and the **State Customs Service** into **single legal entities**

19



All necessary formalities for launching the program of **authorized economic operator (AEO)** in Ukraine have been settled

20



The Government approved a number of resolutions to **implement provisions of the Convention of procedure for mutual transit** to Customs legislation of Ukraine, which will eventually allow it to join the New Computerized Transit System (NCTS).

I phase of the pilot project of **testing the performance of the national electronic transit system** began on November 16th, 2020

21



Starting from 07.11.2020 it **is made possible for carriers to submit the general arrival declaration**, as it is envisioned by the Customs Code of Ukraine and Customs Code of the EU.

**The pilot project on automatic registration** began in May to ensure the **functioning of the automated release of goods in a respective customs procedure without involvement of customs personnel**