

CbC reporting for companies in U.S.-headquartered multinational enterprise groups: first reporting FY2024

Ukrainian taxpayers operating within multinational enterprise groups (MNEs) with consolidated annual revenues exceeding EUR 750 million may, for the first time in 2025, be required to independently file Country-by-Country (CbC) reports. This applies in particular to companies that are part of MNEs with a U.S.-based ultimate parent entity.

When the obligation to file a CbC Report arises

Under the Tax Code of Ukraine (TCU), a Ukrainian member of an MNE is required to submit a CbC Report if:

- it is the ultimate parent entity of an MNE;
- it has been designated by the ultimate parent entity to file a report;
- the jurisdiction of the ultimate parent entity does not require CbC reporting;
- tax information exchange agreements occur between Ukraine and the parent entity's jurisdiction, but no Qualifying Competent Authority Agreement (QCAA) is in force as of the end of the respective financial year;
- a systematic failure occurs to exchange information under the QCAA.

! **Important!**
The obligation to file a CbC Report applies regardless of whether the given taxpayer has controlled transactions in Ukraine.



When the rules take effect

The CbC reporting provisions of the TCU apply starting from the financial year commencing in 2024.

This is because the Multilateral Competent Authority Agreement on the Exchange of Country-by-Country Reports (**CbC MCAA**) entered into force for Ukraine on 4 July 2024.



Why Ukrainian companies in U.S. MNEs should file a CbC Report

For the automatic exchange of Country-by-Country (CbC) Reports between jurisdictions, a valid QCAA agreement must be in force between Ukraine and the jurisdiction of the ultimate parent entity's tax residence as of the end of the reporting (financial) year. If no such agreement exists, the Ukrainian taxpayer is required to submit the CbC Report to the tax authorities independently.

As of the end of 2024, a QCAA between Ukraine and the U.S. was not yet in force.



In cases of multiple Ukrainian group members

An MNE may designate one Ukrainian group member to be responsible for filing a CbC Report. This information must be disclosed in the Notification of Participation in an MNE Group, which must be submitted to the Ukrainian tax authorities.



Filing deadlines

A CbC Report must be filed within 12 months after the end of the financial year established by the ultimate parent entity. For example, if the financial year starts on 1 July 2024 and ends on 30 June 2025, the CbC Report must be submitted by 30 June 2026.



Penalties for non-compliance

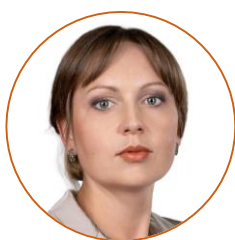
A failure to file a CbC Report may result in fines of up to approximately USD 100,000 (1,300 subsistence minimums for able-bodied persons as of 1 January of the relevant year).

If no Ukrainian resident in an MNE submit a report, penalties may be imposed on:

- the entity designated to file the report; or
- the entities that failed to notify the tax authorities of the designated reporting entity.



In case of questions, please contact:



Lyudmyla Dzhurylyuk

Managing Associate

lyudmyla.dzhurylyuk@kinstellar.com

The above does not constitute legal advice and does not create an attorney-client relationship between Kinstellar and any recipient. It is meant for marketing purposes only. The material cannot be circulated to any other person or published in any way without our consent. We retain no liability for the contents of this paper however it may be used by any recipient.