



KOLOMYIA
BRINGS



INVESTOR'S GUIDE

KOLOMYIA COMMUNITY
IS OPEN TO BUSINESS!



Administrative center

Kolomyia city
Ivano-Frankivsk region, Ukraine



Community's constituents

Kolomyia city,
villages of Voskresyntsi, Sheparivtsi,
Tovmachyk, Ivanivtsi, Sadzhavka



Area

136.77 km²



Population

70 644 people



Distance from Kolomyi to large cities:

- ◆ Ivano-Frankivsk — 64 km
- ◆ Lviv — 200 km
- ◆ Kyiv — 574 km



International airports:

- ◆ Ivano-Frankivsk — 58 km
- ◆ Danylo Halytskyi in Lviv — 205 km
- ◆ Boryspil in Kyiv — 574 km

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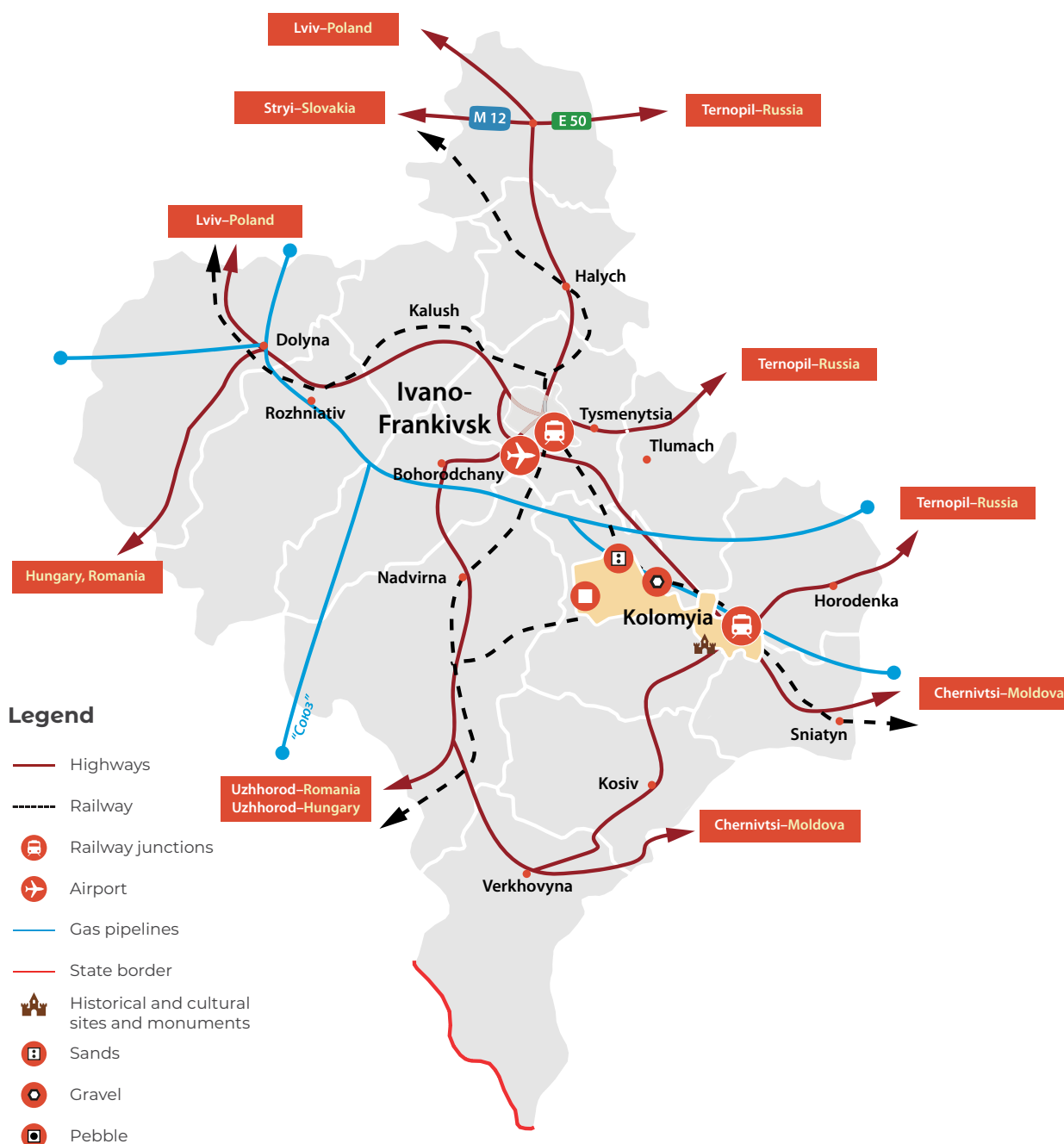
Welcome to Kolomyia Amalgamated Territorial Community — the venue for your business!

Kolomyia City Amalgamated Territorial Community is located in picturesque Prykarpattia, a great place near the Carpathians for a comfortable life and successful business.

Its temperate continental humid climate is cool in summer and mild in winter, making it very favorable for business.

Kolomyia ATC offers a pleasant experience for its guests with its vivid monuments of history, culture, and architecture, colorful museums and picturesque scenery. And the hard-working nature of locals has not only driven the development of many local companies that grow and process agricultural products, produce food and deliver a variety of services, but also encouraged the arrival of foreign investment in woodworking, IT, and the automotive industry.

We invite you to visit Kolomyia City Amalgamated Territorial Community and experience all the charms of our favorable business climate!





WELCOME — THE UKRAINIAN VISA REGIME

Welcome to Kolomyia City Amalgamated Territorial Community, the territory of unlimited opportunities for doing business and breathing life into creative ideas!

If you are a foreigner, start your trip to Kolomyia by reviewing your visa requirements. Citizens of 60 jurisdictions, including all EU countries, the USA, Canada, Japan, Russia, Brazil, Argentina, and others, may enter Ukraine for up to 90 days during any 180-day period. In addition, citizens of Armenia, Azerbaijan, Georgia, Moldova, and Uzbekistan are entitled to visa-free travel in Ukraine.

If you still need a visa, use the online e-Visa system to enter Ukraine at evisa.mfa.gov.ua.



ARRIVING AT KOLOMIYA

Our foreign guests usually arrive at Boryspil, Ukraine's main airport that is 12 km away from the capital of Ukraine Kyiv, and 576 km from Kolomyia. Boryspil is advantageously located at the intersection of many air routes connecting Asia to Europe and America. More than 20 domestic and foreign airlines operate passenger and cargo service from Boryspil along 75 regular routes worldwide.

Other than by air, you can get to Kolomyia by rail or road because our city is located as little as 114 km away from the EU border.



ORGANIZATIONAL FORMS OF DOING BUSINESS

If you decide to start your own business in Kolomyia City Amalgamated Territorial Community, you will be surprised at how fast and easy registration is. You will have the opportunity to create companies, become shareholders of existing companies, open branches, pursue business activities of any type regardless of whether you are a domestic or foreign investor.

The most common types of companies operating in Ukraine are limited liability companies (LLCs), public joint-stock companies (PJSCs), and private joint-stock companies (PrJSCs). The key difference between a PJSC and a PrJSC is that the former may conduct a public offering where shares are offered to more than 100 individuals and/or legal entities, other than to the shareholders of the company, and the issuer's shareholders do not have the preemptive right to buy the floated shares. A PrJSC, on the other hand, is allowed to offer its shares through private placement only.

In addition to the above company types, other types of legal entities exist in Ukraine such as private businesses, cooperatives, associations, additional liability companies, etc. But in practice, these forms are rarely used for investment projects.

The most popular form of business organization in Ukraine is a limited liability company, which is approximately equivalent to LLC in Great Britain or GmbH in Germany. LLC has the advantage of being a very flexible form of business organization that can be used at a minimum cost — the price of law firms' services to draft the constituent documents of an LLC and to procure registration within one week is less than €100.

In some cases, you first need to obtain certain licenses to start a business (for example, when setting up a financial institution). So, if you are interested in starting a business in our community, to identify the procedures that this will take, email your request to tower.ko_invest@ukr.net for a detailed road map describing every step you need to take so that you can start your business in Kolomyia City Amalgamated Territorial Community as soon as possible.



The taxation system in Ukraine is described in the Tax Code and includes national and local taxes and charges.

Main payments for most businesses on the general taxation system are:

- ◆ the value added tax at 20% (exports are subject to the rate of 0%);
- ◆ the corporate income tax at 18% (0% for tax-exempt companies);
- ◆ the single contribution towards compulsory state social insurance at 22% of the wages earned by employees (0% for certain categories of sole proprietors and farm members);
- ◆ the military levy at 1.5% of the wages accrued for an enterprise's employees;
- ◆ personal income tax at 18% of the wages accrued for an enterprise's employees;
- ◆ the land use fee paid by land users: 0.1 to 12% of the standard monetary valuation of the land in use (set by local government).

In addition to the general taxation system, Ukraine has a simplified taxation system under which legal entities pay a single tax at:

- ◆ 3% of income if they pay the value added tax;
- ◆ 5% of income if they do not pay the value added tax.

ACCOUNTING REQUIREMENTS



Accounting in Ukraine is regulated by the Law of Ukraine On Accounting and Financial Reporting in Ukraine, accounting regulations (standards) developed on the basis of the International Financial Reporting Standards and the European Union's accounting laws.

The accountant is responsible for accounting at the enterprise, and the director as the authorized representative of the owner is responsible for the organization of accounting. Companies in Ukraine may not only engage full-time employees in accounting but also outsource it contractually. These services usually cost around €100 a month for newly created companies with a small number of transactions.

HIRING EMPLOYEES



The total population of Ukraine is 42.0 million people (as of 6/1/2019), including 16.9 million employed people aged 15 and older.

In Q2 2020, the average and minimum monthly wage in Kolomyia City Amalgamated Territorial Community was €265 and €156, respectively (at the exchange rate of the national currency, hryvnia, as of 6/16/2020: ₴30.21/€1).

Despite the low wages, able-bodied community members are hard-working and responsible in performing their duties, as one out of five persons has a higher degree. The performance of Ukrainian employees can be demonstrated, for example, by that Ukraine ranks first in Europe in terms of IT outsourcing and software development.

Employment is regulated in the country by the Code of Labor Laws of Ukraine, other laws and regulations of Ukraine, and internal regulatory documents of the business entity.

The State Employment Service provides assistance in finding staff and issues permits for employing foreigners in Ukraine. In addition, a significant number of recruitment companies operate in Ukraine, providing staff search and selection services to employers. The price of such services is usually equal to the monthly wage of an expert that the customer company hires.



BANKING, FINANCE, AND INSURANCE

As a component of the Ukrainian economic system, the banking system includes the National Bank of Ukraine, other banks (resident and non-resident banks registered in Ukraine) and non-bank financial institutions such as credit unions, investment funds, factoring companies and others. The National Bank of Ukraine implements its monetary and credit policy to maintain the stability of the Ukrainian currency, carries out foreign currency regulation, and establishes rules for banking operations.

The Ukrainian currency is the hryvnia (symbol — ₴, code — UAH). As of 6/16/2020, its exchange rate stood at ₴29.73/€1. Payments within Ukraine are made both in cash and by bank transfer.

To pursue their business, companies operating in Ukraine open hryvnia and foreign currency accounts with banks, which in turn maintain correspondent accounts with the National Bank of Ukraine, other banks in and outside Ukraine, to make financial transactions by using BankID from the National Bank of Ukraine and SWIFT, the International Money Transfer System. The fee for making SWIFT payments is an average of 0.5 % of the transfer amount.

International payment systems that operate in Ukraine include Visa, MasterCard, American Express, Western Union, MoneyGram, INTELEXPRESS, HAZRI, RIA, Sigue Money Transfer, MEEST; innovative Apple Pay and Google Pay services; the National Payment System "Ukrainian Payment Space", and electronic payment systems for making payment transactions online.

8.5 thousand bank branches, together with a network of 279.0 thousand payment terminals and nearly 20 thousand ATMs, create extremely convenient conditions for making financial transactions throughout Ukraine.

Just as the operations of the Ukrainian banking system are similar to those of the banking systems of the leading countries worldwide, so too the Ukrainian insurance system is similar to those operating in developed countries. Today, hundreds of insurance companies operating in Ukraine can provide not only insurance in three main areas such as personal, property, and liability insurance, but also risk reinsurance.



REAL ESTATE TRANSACTIONS

Laws of Ukraine define real estate as including land plots and facilities which I) are located on them, II) are inherently connected with them, and III) may not be moved without impairment and modification of their intended use. The legal regime of real estate also applies to aircraft, sea-going and inland vessels, space facilities.

Such real estate transactions as purchase, sale, lease, exchange, gift, pledge, the creation of rights of use (easement), rights of use of a land plot for agricultural purposes (emphyteusis), and rights of building on a land plot (superficies) are regulated by the Civil Code of Ukraine.

Foreign citizens or business entities do not need permission to purchase real estate in Ukraine, but are subject to special restrictions regarding agricultural land and forests. The person buying real estate in Ukraine will have to pay a state duty of 1% of the value of the property and a fee of 1% towards compulsory state pension insurance.

Title to real estate (property rights, leases, easements etc.) are subject to state registration in the State Register of Title to Real Estate. The administrative charge for state registration of real estate is about €8.

If you do not have to buy real estate right away to start your business, you can just rent the premises you need, because the market has a large number of rental properties on offer, ranging from €5 to €30 per square meter per month (depending on location and property type).



Regulated by the Customs Code of Ukraine, the Ukrainian customs rules are identical for all types of border crossing.

The customs control system enables people that move goods for personal, family, and other non-business related needs across the customs border to choose either of the two channels of pedestrian or motorized crossing of the customs border: "green lane" or "red lane."

The channel marked with green symbols, or the "green lane," is used for crossing the border without declaring and paying customs duties. In this case, the passenger is allowed to import:

- ◆ personal effects;
- ◆ up to €10,000 in cash;
- ◆ food worth up to €200;
- ◆ goods weighing up to 50 kg and worth up to €1,000;
- ◆ up to 5 packages of medicine;
- ◆ 5 liters of beer, 2 liters of wine, 1 liter of strong alcohol (with alcohol content of more than 22%);
- ◆ 200 cigarettes, 50 cigars, or 250 grams of tobacco;personal vehicles..

The "red lane" involves mandatory customs control, verification of documents, completion of the customs declaration, and payment of customs duties. It is compulsory for passengers whose luggage includes i) items in excess of the "green" corridor limits, or ii) weapons, dangerous drugs, explosives and radioactive substances; antiques, works of art and items of value; media; musical instruments; flora and fauna, animals (with an internationally accepted veterinary certificate).

Goods intended for industrial or any other business activity are imported to or exported from the customs territory of Ukraine in accordance with the requirements of the Customs Code of Ukraine. It should be noted here that most groups of goods are subject to the import and export duties at a rate of up to 15 % of their customs value.

Usually, companies that plan to pursue cross-border economic activities and comply with customs rules hire experienced accountants and lawyers. But if they do not plan to import/export goods often, companies are better off by engaging customs brokers — customs clearance providers.

PROTECTION OF INTELLECTUAL PROPERTY RIGHTS



The Constitution of Ukraine states that "Everyone has the right to own, use, and control his property, the results of his intellectual, creative activity." Ukrainian laws on the protection of intellectual property rights comply with the requirements of the World Trade Organization and protect copyright (works of science, literature, and the arts); related rights (performance of a work, production of a soundtrack, videogram, publication of broadcasts of broadcasting organizations); industrial property (inventions, utility models, industrial designs, innovative proposals, trademarks and service marks, geographical indications of the origin of goods, plant and animal varieties, topographies of integrated circuits, trade secrets).

The employer is the sole owner of intellectual property rights to and in the results achieved by his employees through work, unless expressly provided for in an employment or civil contract with the employee.

The majority of intellectual property is protected if it is registered in Ukraine. Such property includes: inventions, utility models, industrial designs, trademarks, geographical indications, topography of circuits, plant species and animal breeds. Other intellectual property is protected without registration, for example, trade names, trade secrets, copyrighted items (because the rights to their protection arise at the time of creation of the work, and non-property rights are indefinite, while property rights last throughout the author's life and for 70 years after his death).

The state system of legal protection of intellectual property in Ukraine comprises: the Ukrainian Intellectual Property Institute (Ukrpatent), the National Intellectual Property Office, the Ukrainian Copyright and Related Rights Agency, as well as other institutions protecting investors' intellectual property rights.



LOGISTICS

Aspects of running any business include the logistical component of goods production and sale. Logistics gains particular importance for companies that make international transactions. Ukraine offers unique opportunities to such companies by being located at the intersection of main transport routes from Europe to Asia and from the Nordic countries to the Mediterranean. In Kolomyia City Amalgamated Territorial Community itself, you will find all the freight transportation services that you may ever need for regional integration and unhindered mobility. They are provided not only by local, but also by international logistics companies that use motorway, railroad, air, and water transport.

Urgent delivery of correspondence and packages and transportation of multiple tons of cargo, continuous online status monitoring of deliveries, and cargo storage under appropriate temperatures — all this will maximize the performance of your business in Kolomyia City Amalgamated Territorial Community.



BUILDING CODES

Having selected the location for construction of their property, the investor needs to become the owner of the selected land plot or enter into an agreement establishing the right to use the land plot for development (superficies).

Next, the investor has to I) obtain city planning conditions and constraints (planning and architectural requirements to design and construction); II) obtain specifications (conditions and requirements to the engineering support of the property under development); III) draft project documentation; IV) have expert examination of the project documentation done (by listed expert organizations); and V) obtain a building permit from the State Architectural and Construction Inspectorate of Ukraine.

Having a building permit enables the owner of the property and its contractor organizations to perform works such as construction, retrofitting, and major repairs.



CONNECTION TO UTILITY SYSTEMS

The implementation of an investment project usually involves connecting to the utility systems of heat, electricity, water, and gas supply, sewerage, storm drain, and procuring waste utilization. Each of the above components required to run an enterprise is governed by relevant laws and regulations, and compliance is ensured by the National Commission for State Regulation of Energy and Public Utilities. These services are directly provided by more than 1.9 thousand businesses operating in Ukraine that are always prepared to cooperate with investors.

Beside connecting to the above utility networks, the creation of a company requires addressing matters like connection to telecommunication networks. In this area, there are more than 6.7 thousand providers of wired Internet, landline telephony, and mobile telephony throughout Ukraine. In other words, Ukraine has the market conditions for connecting to all the utility systems that an investor may need.



ENVIRONMENTAL REQUIREMENTS

Every investment project should be focused on environmental protection and the rational use and reproduction of natural resources to ensure environmental safety as early as at the planning stage. However, certain types of economic activity cannot be pursued without an environmental impact, so their compliance with the requirements of the Law of Ukraine On Environmental Impact Assessment must be verified before such investment projects can be implemented.

The Ministry of Energy and Environmental Protection conducts this assessment for activities such as petroleum refining, metal making, chemical or biological production, construction of airports, highways, etc., which are listed under category one of expected activities and facilities that may have significant environmental impacts.

Departments of ecology and natural resources of regional governments assess the environmental impact of activities in agriculture, food industry, mining, mineral processing, etc.



Ukraine is a market economy. It is competition, which means free rivalry among entrepreneurs to gain advantage over the rest through their own achievements, that creates a number of important conditions for a successful development of society. In economic terms, competition is a prerequisite for an optimal distribution of limited social resources, their most efficient use by each individual producer, which is a prerequisite for progress in science and technology.

Ukrainian laws on the protection of economic competition introduce special legal mechanisms to prevent anticompetitive collusion by business owners and anticompetitive practices of government agencies and monopolization of markets for goods. At the core of these mechanisms are three types of control exercised by the Anti-Monopoly Committee of Ukraine

- ◆ control of conspiracies by business entities intended to prevent an anticompetitive collusion of business owners;
- ◆ control of the concentration of business entities intended to prevent the emergence of monopolies in the market through mergers or acquisitions, the establishment of new enterprises, the acquisition of equity rights in or the acquisition of control by one entity over another or otherwise;
- ◆ control of anticompetitive practices of government agencies, local government, bodies of administrative and economic administration and control.

In other words, investors planning to concentrate business entities in Ukraine must first obtain authorization from the Anti-Monopoly Committee of Ukraine. Otherwise, the Anti-Monopoly Committee of Ukraine may become a source of useful marketing information for the investor..

INVESTOR INCENTIVES



Ukrainian laws provide not only government guarantees for the protection of investments, but also a variety of instruments for encouraging investing activities. This includes a nationwide exemption from the value added tax and corporate tax (as listed in the Tax Code of Ukraine) and the exemption from import duties (as listed in the Customs Code of Ukraine). Locally, investors may be granted exemptions from the property tax, the land tax, and land rent.

Investors that do business within industrial parks receive the following benefits in accordance with the Law of Ukraine On Industrial Parks: exemption from the import duty on equipment and its components, materials that are not produced in Ukraine and are imported to set up an industrial park and carry out business activities within its boundaries; exemption from investing in the development of the infrastructure of a populated area (such investment in the development of the infrastructure of a populated area involves transferring up to 10 percent of the total estimated cost of construction of the property to the relevant local budget, but is lifted effective from 1/1/2021).

ACCOMMODATION IN UKRAINE



In Ukraine you will enjoy the full range of hospitality offers such as hotels, hostels, guest houses, restaurants, cafés, bars, cultural and entertainment institutions and sports complexes.

Ukraine is annually visited by more than 14 million tourists, and if you are already planning a trip here, book a room in advance at the hotel that meets your requirements. In Ukraine, you will find not only hotels that are part of the most famous hotel chains in the world, but also mini-hotels and a wide range of accommodation offers in private homes and apartments. The average price of a single-bed hotel room in Kolomyia City Amalgamated Territorial Community ranges from €12 per night in a three-star hotel to €60 per night for a deluxe suite.

You can book a hotel room or an apartment yourself through international online booking systems or by emailing a request to Kolomyia Center for Tourism and Leisure at Kolomyia_Tour@i.ua. If you plan to invest within our community, email your request to tower.ko_invest@ukr.net, and we will provide support and assistance you may need in your projects!

Advantages of doing business in Kolomyia Amalgamated Territorial Community:



Favorable location in an environmentally friendly region



Convenient transportation: Kolomyia railway station
Highway H10



Abundant natural resources



Developed infrastructure



Highly skilled and hard-working local residents



A wide choice of office and industrial space for various
types of business



Vacant land plots available and ready for investment projects
on favorable terms



A wide range of existing companies interested in cooperation



European mindset and a high level of culture of local
residents



High quality conditions for living, recreation, and sports



Reliable public security and the protection of investors'
property rights



Favorable business climate, low local taxes

Kolomyia City Amalgamated Territorial Community invites you to cooperation! With us, you will find unique opportunities for:



Growing environmentally friendly agricultural products



Making healthy food



Manufacturing wood and carbon products



Producing components for the automotive industry



Assembling finished products from components
manufactured by certified manufacturers (Original
Equipment Manufacturer)



Procuring transport and logistics services



Erecting energy-efficient buildings



Developing hotel, restaurant, and tourist business



Setting up highly profitable IT companies and innovative
startups in creative industries



Implementing public-private partnership projects for the
delivery of specialized health care services



Arranging e-commerce platforms integrated with foreign
E-commerce systems



Opportunities to realize your boldest plans and most
cherished ideas!

YOU ARE WELCOME!

If you are planning to start a business in Kolomyia City ATC, email questions you may have to tower.ko_invest@ukr.net, and we will help you } chart the shortest path to the market!

www.kolrada.gov.ua



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