




# Tax Law

  
KONNOV &  
SOZANOVSKY  
ATTORNEYS AT LAW



# About Us



Established in 1992, *Konnov & Sozanovsky* is one of Ukraine's leading law firms, with offices in Ukraine, Russia, Cyprus and the UK. The firm is ranked among the top ten Ukrainian law firms according to a top Ukrainian legal periodical, *The Yuridicheskaya Praktika* ("The Practice of Law") 1997-2007 annual surveys.

With extensive knowledge of Ukrainian and international law, as well as a thorough understanding of commerce in Ukraine, our firm is able to meet clients' needs, both domestic and foreign, in every area of law.

We provide comprehensive legal assistance to our clients in the most popular business areas of law such as copyright and media law, competition law, corporate law, real estate, construction and land law, representation in courts, tax law, trade marks, patents, commercial and trade law, securities and financial institutions.

We adopt an individual approach in each case, taking into consideration the peculiarities of a client's business and his preferences. Our practice includes provision of legal assistance in various sectors of economy such as advertising and design, agriculture, banking, energy and power, food industry, insurance, investments and equity market, light industry, media and telecommunications, pharmaceutical, privatization, publishing, real estate and construction, software, spirits industry, tobacco industry, trade and distribution, production of veterinary medications.

"A lawyer's duty to his client is fearlessly to raise every issue, advance every argument, ask every question, however distasteful, which he thinks may help his client's case."

*Lord Reid of the English House of Lords  
in the 1961 Rondel vs. Worsley decision.*

## Publications

*Konnov & Sozanovsky* publishes legal news via the Internet on a regular basis. To subscribe, visit us at [www.konnov.com](http://www.konnov.com).

*Konnov & Sozanovsky* lawyers are authors and commentators on various legal and business matters published in the leading mass-media such as: *Entertainment Law* (Kluwer Law International), *Getting the Deal Through: Merger Control, Telecoms, Trademarks, Global Counsel 3000. Which Lawyer?*, *International Law Office, International Tax and Investment Service* (Centre for International Legal Studies), *International Tax Law* (Aspatore Books), *International Investment Review* (Euromoney Yearbooks), *IP Value: Building and Enforcing Intellectual Property Value* (Globe White Page), *Merger Control Worldwide* (Cambridge University Press), *The Comparative Law Yearbook of International Business* (Kluwer Law International), *The Handbook of Competition Enforcement Agencies* (Global Competition Review), *Worldbank Doing Business Project* (The World Bank Investment Climate Department).

They are also published in the leading mass-media such as *Business, Kontrakty, Companion, The Yuridicheskaya Praktika, The Ukrainian Journal of Business Law, Property Times, Ukrainian Law Firms (A Handbook for Foreign Clients), Practical European Tax Strategies, Expert Ukraine, Russia/Eurasia Executive Guide* and others.

## Professional Memberships

The firm is a full member of American Chamber of Commerce (ACC), European Business Association (EBA), Ukrainian Bar Association (UBA), International Trademark Association (INTA), Cypriot-Russian Business Association, Cypriot-Ukrainian Business Association.

Our lawyers are members of:

- American Bar Association (ABA)
- Association of International Tax Consultants (AITC)
- Inter-American Bar Association (IABA)
- International Association for the Protection of Intellectual Property (AIPPI)
- International Bar Association (IBA)
- International Fiscal Association (IFA)
- International Trademark Association (INTA)
- Law Society of Upper Canada
- Ukrainian Advocates' Association (UAA)
- Ukrainian Bar Association (UBA)
- Ukrainian Patent Attorney Association.

The firm's lawyers hold executive positions in committees of American Chamber of Commerce in Ukraine (ACCU), European Business Association (EBA).

## Team

## Our Understanding of Your Needs



**Sergey Sozanovsky, Senior Partner**

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*Konnov & Sozanovsky* tax lawyers provide clients with innovative and practical tax advice at exceptional levels of performance. Our practice combines specialists from Ukraine, Russia, Cyprus and the UK with the ability to understand matters that have an international element. We offer seamless services in conjunction with our colleagues from other practice areas.

When rendering our services, we always proceed from the clients' requirements and key aspects of their business, in particular, the tax position of the client, his economic activity, as well as the structure of the business, both inside and outside the jurisdiction.

The tax and business structure in Ukraine is completely different from what you're used to in the West. Tax planning in the West enjoys the benefit of proper notice by authorities of changes to the tax structure, so that businesses can plan with confidence. Here in Ukraine, you need to find tax practitioners who are ready to communicate instantly the changes to the tax structure made here on the spur of the moment. Major changes are sweeping Ukraine, and many tax initiatives are directly connected with the economic and political situation in the country. Your tax advisers can not bury their heads in the sand and pretend the world will be the same tomorrow as it was today. They need to help you understand the context in which tax changes are happening and provide you with the crisp, clear, concrete insights you need to stay ahead.

# Our Services

## Income Tax

- Providing clear and reliable tax advice for all types of transactions. With increasing level of legislation and regulations our attorneys offer comprehensive tax advice to the following sectors:
  - Banking & Finance
  - Insurance
  - Investment Funds
  - Bonds
  - Real Estate
  - Cross border M&A
  - IP, IT and Media
- Advising on taxation of both domestic and international companies;
- Advising on application of international tax treaties.

## VAT

- Advising clients on collection of VAT and other indirect taxes on the territory of Ukraine
- Advising on taxation of export and import transactions
- Servicing VAT refund issues

## Tax Planning

- Corporate structuring and restructuring for clients operating in a wide range of industry sectors
- Deal structuring – drafting of tax efficient structures for different types of transactions
- Tax planning inside and outside the jurisdiction
- Implementation of the developed structures

## Foreign Client Tax Issues

- Drafting of tax efficient structures for entering Ukrainian business environment;
- Drafting structures for buying Ukrainian assets with respect to tax optimization;
- Tax due diligence of the Ukrainian target;
- Developing business models for carrying on activity in Ukraine

## Private Client Tax Issues

- Private tax planning
- Filing of tax returns

## Dispute Resolution and Litigation

- Legal support during tax inspections
- Representation of clients in tax disputes with tax authorities (dispute resolution)
- Tax litigation

# Recent Cases

During 2006 and 2007, *Konnov & Sozanovsky* lawyers were engaged in a number of various projects, such as:

- Advising of advertising holding on the tax efficient structure and developing the corporate structure of group of companies with holding company being registered in UK
- Advising of media holding on and developing the tax efficient and corporate structure in Ukraine
- Advising of movie production holding on and developing the tax efficient and corporate structure inside and outside Ukraine (including Ukraine, Russia, Cyprus).
- Legal support of the transaction on the movie production complex acquisition, conducting legal due diligence thereof
- Advising of holding capturing companies operating in realty business on the tax efficient corporate structure with holding company being registered in the Netherlands
- Advising of construction and real estate holding on the tax efficient structure of group of companies using Cyprus jurisdiction
- Legal support of the transaction on the acquisition of the company – owner of the large land plots, conducting legal due diligence thereof
- Developing tax efficient structures for the construction companies by means of such financial vehicles as investment fund, investment certificates, bonds, joint ventures etc.
- Advising of retail holding on the tax efficient structure of group of companies using different jurisdictions (the Netherlands, Cyprus, Singapore, Turks and Caicos Islands etc.)
- Advising of mining industrial holding on and developing tax efficient tax and corporate structure of group of companies in Ukraine
- Developing tax efficient corporate structure for the leading Ukrainian alcohol producers which includes approximately 40 companies in 8 different jurisdictions
- Developing tax efficient and corporate structure for the producer of veterinary drugs in Ukraine
- Conducting legal due diligence and drafting the tax efficient structure of the purchase of assets of the main producer of PET forms in Ukraine
- Advising and assisting in share and/or assets transfer transactions, drafting and verification of the all transaction related documents (SPA, SHA, etc.)
- Development of the efficient transaction structures with due consideration of the Ukrainian tax law provisions (acquisition/sale of companies, of integral property complexes, of real estate and land plots, etc)

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