



Implementing SAF-T in Ukraine

July 2023

Obligation to submit SAF-T UA

**From 27 August
2021**

Large taxpayers are obliged to submit Standard Audit Tax filings at the request of the Ukrainian tax authority no later than two business days following the day the request was received as part of an audit (para. 85.2, the TCU)*

**From 1 January
2025**

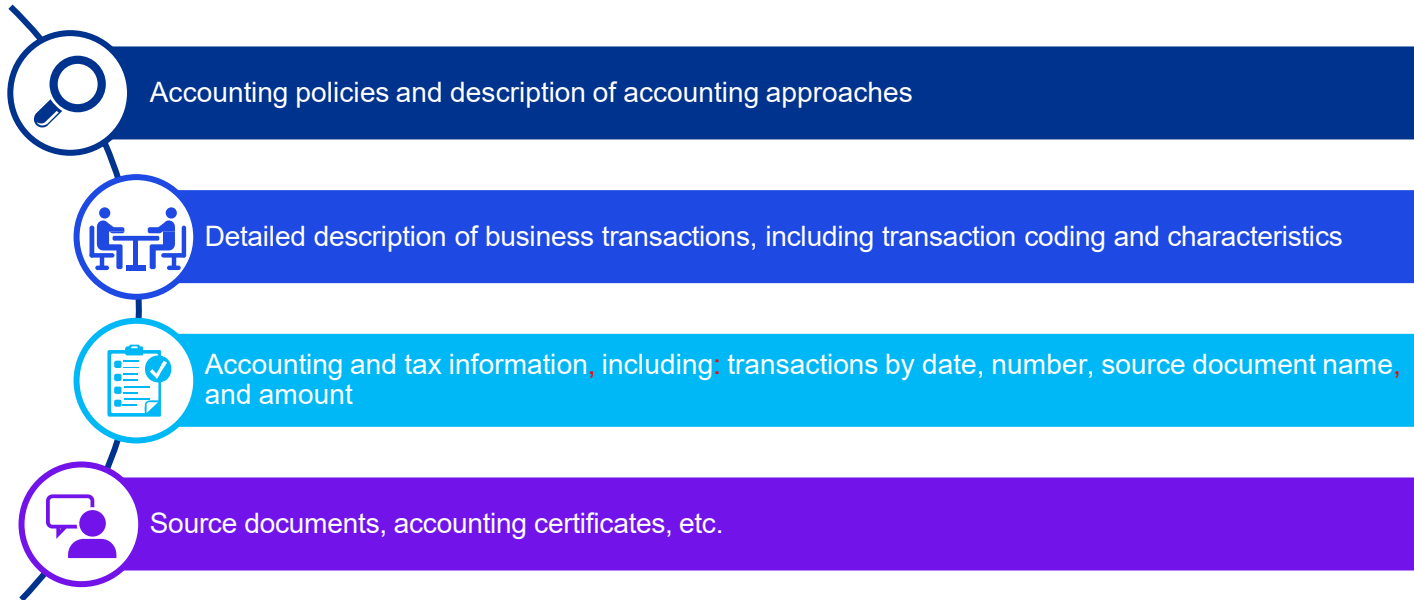
Mandatory for large taxpayers to submit Standard Audit Tax files (Draft Law No. 6255 dated 2 November 2021)

**From 1 January
2027**

Mandatory for all VAT payers to submit filings (Draft Law No. 6255 dated 2 November 2021)

*The Ukrainian State Tax Service is currently updating the taxpayers' electronic cabinet for SAF-T UA. All large taxpayers are likely to receive requests for SAF-T UA after the State Tax Service resumed its tax audits on 8 January 2023

Main information provided in SAF-T UA:



For the SAF-T UA structure follow the link [On approval of amendments to the Procedure... | No. 561 dated 15 September 2020 \(rada.gov.ua\)](#)

SAF-T UA structure



I. Title

1.1 **General information on the LTP** (Large Tax Payer): date of establishment, software, authorised persons, information on owners, contacts, etc.



II. Directories

2.1 Accounting policies

2.2 Transaction directories: description of types of business transactions, including transaction coding and characteristics

2.3 Owners (founders): information on owners and their contributions to capital

2.4 Balance sheet / current accounts (by accounts / subaccounts and analytics)

2.5 Counterparties

2.6 Products (goods, works, and services)

2.7 Inventories

2.8 Non-current assets



III. Journal of Accounting Records

3.1 **Accounting transactions**, including: dates, number and names of primary documents, accounting entries, transaction amounts without VAT, VAT



IV. Information about accounting records documentation

4.1 Information on sales (in detail)

4.2 Information on acquisition / procurement (detailed)

4.3 Information on payments not related to the sale / purchase of goods, works, and services

4.4 Inventory transactions

4.5 Transactions with non-current assets

4.6 **Information on accounting certificates and other source documents**



V. Tax differences

5.1 **Tax differences** that an entity may have



For SAF-T UA structure, follow the link:
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SAF-T UA: Key issues



LTP software readiness to form SAF-T UA



Extensive detailed list of information to be provided as part of, and together with, SAF-T UA (Annex to Order No. 561: 5 sections and 17 subsections)



Requirement to back accounting data with source documents (in electronic form, or, if there is no obligation to prepare electronic documents, in Adobe PDF format)

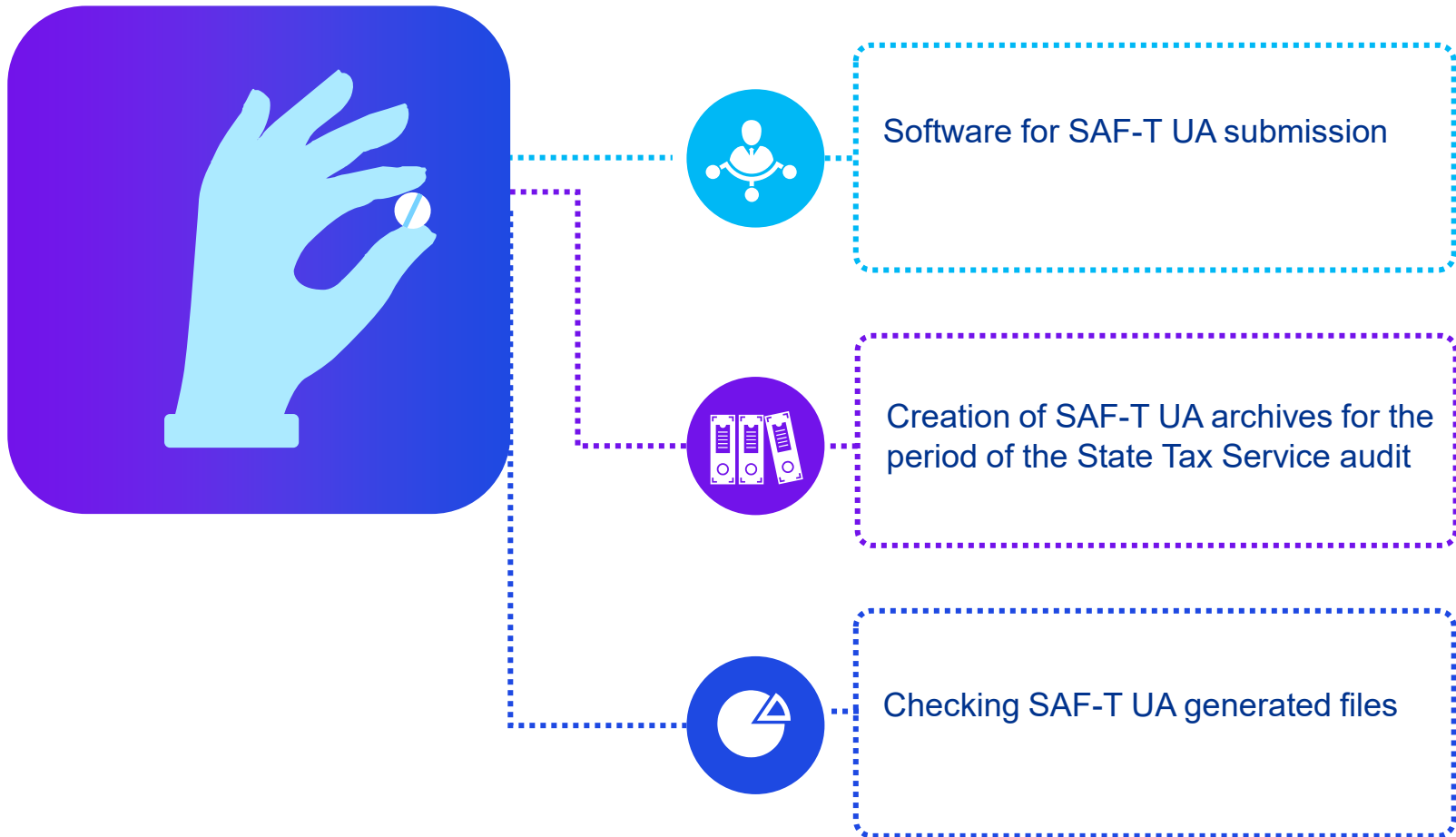


Requirement to provide copies of administrative documents concerning approval of accounting policies and other detailed information along with SAF-T UA



Tight deadlines for providing information (subpara. 85.2, the TCU: for a taxpayer in case of an audit by the STS: no later than two business days following the day the request is received)

Main preparatory efforts



Implementing SAF-T in Ukraine (1/2)

How KPMG Ukraine can help

01

KPMG specialists analyse your Accounting Policy and provide recommendations on what you can improve and/or assist directly in improving your Accounting Policy

We analyse your Company's accounting policies and key accounting processes. We provide recommendations on how you can improve your accounting policy and/or update your accounting policy with direct input and assistance from KPMG professionals to properly formalise accounting procedures, taking into account the important tax and documentary aspects specific to your Company's business

02

Tax diagnostics are carried out to identify potential tax risks in Company activities and measures are then planned to mitigate risks (optional)

We help you identify potential tax risks and estimate their amount. We provide recommendations on measures to mitigate any risks identified

03

We verify the accuracy of any mandatory data prepared by your Company for SAF-T UA filing (in case SAF-T UA files are independently generated by your Company)

We check the data that your Company will prepare for conversion to xml documentation against the requirements set out in the applicable Ukrainian legislation and the latest tax authority clarifications (if it is agreed that the SAF-T UA will be prepared by your Company and/or your Company's IT provider)

Implementing SAF-T in Ukraine (2/2)

How KPMG Ukraine can help

04

Terms of reference will be prepared for cooperation between your Company's accounting department and the IT provider

We help your Company prepare terms of reference for your Company's IT provider in accordance with legal requirements and the latest clarifications from the Ukrainian tax authorities. We assist in establishing communication between the accounting department and your Company's IT provider

05

Methodological accounting and tax support for providing recommendations / advice for preparing SAF-T UA depending on your requests

We offer recommendations for the process of preparing your Company's SAF-T UA based on selecting mandatory and other data for the filing. We provide advice on importing data from your Company's accounting registers into a tabular (Microsoft Excel) format and an xml file. We advise on Company tax and accounting requests in the process of forming a SAF-T UA

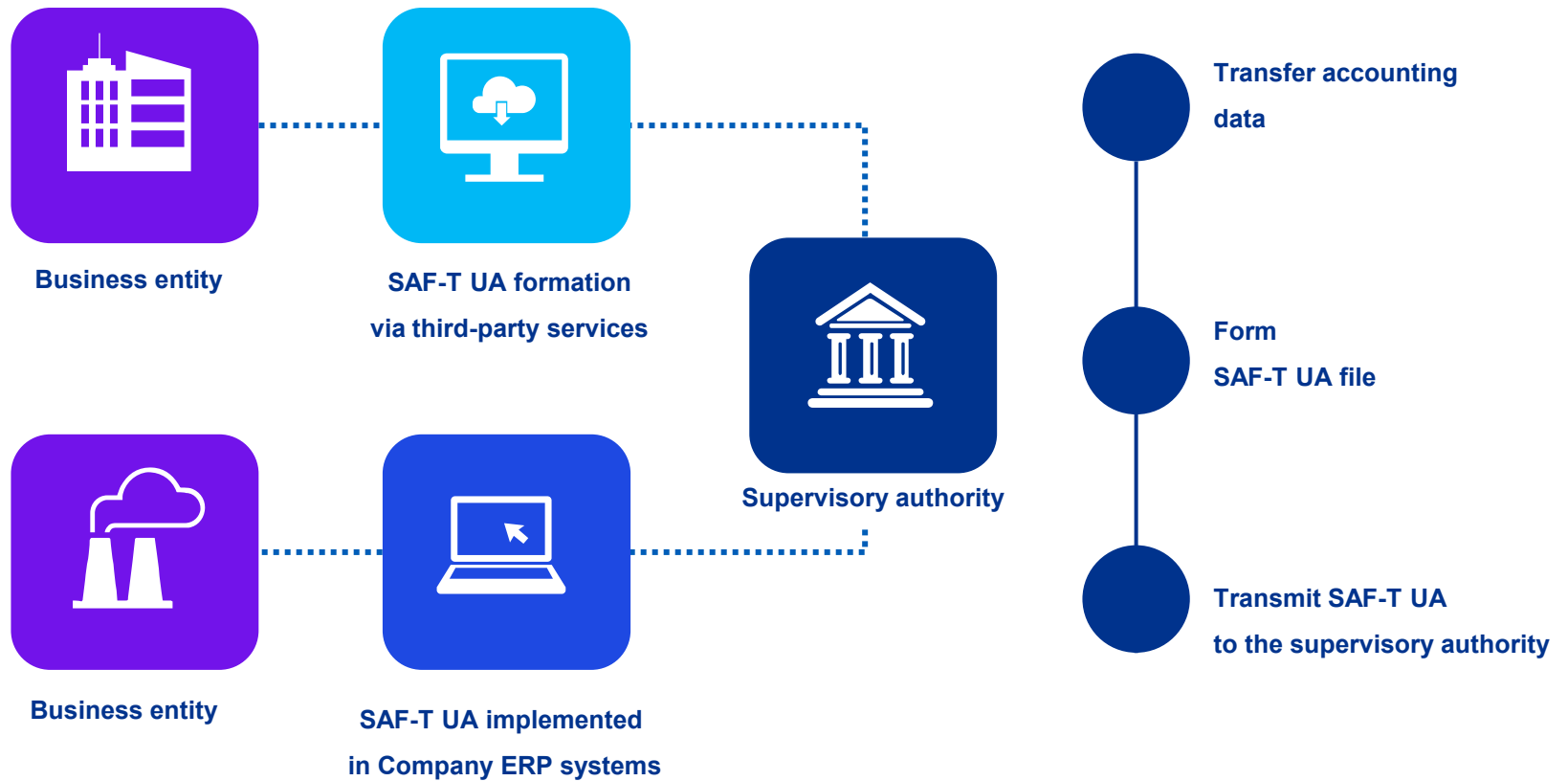
06

Software adaptation (SAP) for SAF-T UA submission

Our professionals help you adapt your software (SAP) for convenient SAF-T UA submission.

Technical implementation

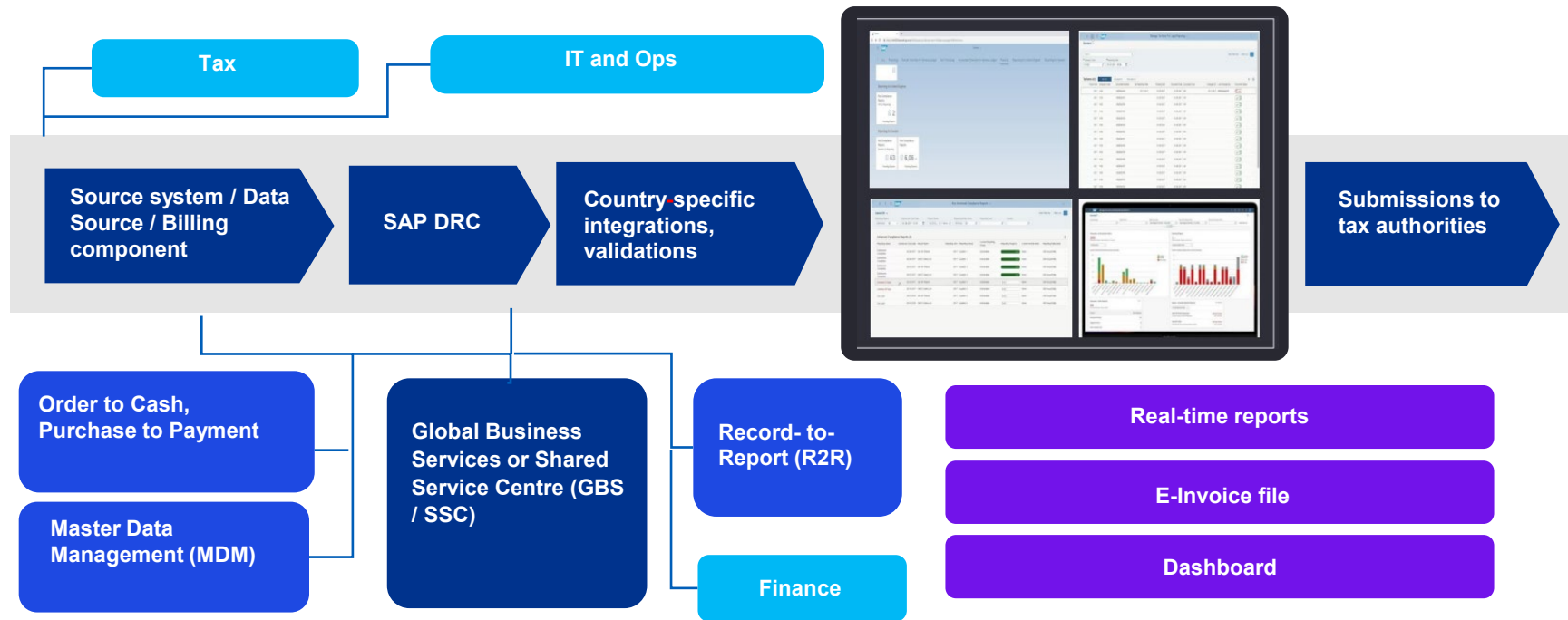
How the architecture looks



Technical implementation

SAF-T in SAP Document and Recording Compliance

- SAP DRC is SAP's standard tool for statutory reporting, e-invoicing, and real-time reporting
- Tax authorities are taking digitalisation to the next level by sharing transaction transparency with tax departments
- Adoption of new technologies is essential for enterprises to remain compliant with regulatory authorities and maintain control
- Beyond tax issues, the IT landscape must be flexible to facilitate quick adoption of new mandates and input from other processes and bodies



Technical implementation

SAF-T in SAP Document and Recording Compliance

How functionality works in SAP DRC

The screenshot displays the SAP Document and Reporting Compliance Dashboard. It features several key sections: 'Reporting Progress' with a bar chart showing 34 reports with status breakdowns (Completed, In Line, Out Line, Inactive); 'Reports - Immediate Attention Required' listing various reports with their due dates and completion status; 'Documents - Communication Status' with a bar chart showing 616 documents by process and status (Acknowledged, In Process, Complete); and 'Documents - Action Required' listing 153 documents with a table of processes and action counts.

One centralised platform to monitor and ensure full regulatory compliance

Real-time compliance insights

Seamless corrections and follow-ups

One centralised entry point for corrections

Customisable to your needs

Adapt filters / content to enhance efficiency

Unified user interface to manage end-to-end compliance

Technical implementation

SAF-T in SAP Document and Recording Compliance

Holistic dashboard, from e-documents to reporting

- Embed real-time, actionable insights into your ERP to prevent disruptions and run operations smoothly
- Manage corrections and follow-ups easily with access to one, centralised entry point
- Unify user experience across scenarios and countries, and gain flexibility to meet specific needs

Digitalised reporting, from preparation to submission

- Prompt and monitor worldwide obligations with a compliance calendar
- Digitalise and automate activities in your system of record, from adjustments to approvals, by using a tailored checklist
- Automate submissions and gain data-driven insights into transactions to support a complete audit trail

Extensibility platform to extend and create scenarios

- Access a library of predefined processes and real-time scenarios, ready for reuse
- Define compliance reports to add or copy existing reports quickly and meet business needs
- Repurpose business features for a unified user experience across all standard, custom, or partner-defined scenarios

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