

INVESTOR'S GUIDE



**DOLYNA AMALGAMATED
TERRITORIAL COMMUNITY**



Location of the community
Dolyna district,
Ivano-Frankivsk region, Ukraine



Area of the community
351 984 km²



Administrative center
Dolyna



Population
49 200 people



Composition of the community
Dolyna and 21 villages



Area of agricultural land
16.1 hectares



Established on
June 30, 2019



Natural resources
Oil, gas, salt



Distance from Dolyna to major cities:

- ▶ Ivano-Frankivsk — 58 km
- ▶ Lviv — 110 km
- ▶ Kyiv — 635 km



Nearest border crossing points:

- ▶ Mostyska, Lviv Region — 138 km
- ▶ Shehyni, Lviv region — 151 km
- ▶ Rava-Ruska, Lviv Region — 174 km



International airports:

- ▶ Ivano-Frankivsk Airport — 68 km
- ▶ Danylo Halytskyi Airport of Lviv — 114 km
- ▶ Boryspil — 684 km



Extraordinary opportunities

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

The Dolyna UTC is crossed by minor rivers Turyanka, Sivka, Luzhanka, and Manyavka. The Dolyna Pond, the city's pride of joy, measures 25 hectares. Its average depth is 2.5 m. The lake holds about 600 000.0 m³ of water.

The working age population of the city is 29 500. The average monthly wage across the community is UAH 11 500.0 (USD 460.0).

Its temperate continental humid climate is cool in summer and mild in winter, which creates a very favorable environment for doing business.

The Dolyna UTC offers captivates its guests with striking historical, cultural, and architectural landmarks, unique museums, and scenic landscapes. 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.

**YOU ARE WELCOME TO VISIT
THE DOLYNA AMALGAMATED TERRITORIAL COMMUNITY
AND EXPERIENCE FIRST-HAND ALL THE MERITS
OF OUR FAVORABLE BUSINESS CLIMATE!**





WELCOME – VISA REQUIREMENTS IN UKRAINE

Welcome to Dolyna Amalgamated Territorial Community, a territory of unlimited opportunities for doing business and putting creative ideas to life!

If you are a foreigner, start planning your trip to Dolyna 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 DOLYNA

Our foreign guests usually arrive at Boryspil, Ukraine's main airport that is 12 km away from the capital of Ukraine, Kyiv, and 684 km from Dolyna. Boryspil is conveniently located at the intersection of many air routes connecting Asia to Europe and America. More than 20 domestic and foreign airlines operate a passenger and cargo service from Boryspil along 75 regular routes worldwide.

Danylo Halytskyi International Airport of Lviv ranks third in Ukraine by passenger traffic. It is situated 6 km from the center of Lviv. The distance from the airport to Dolyna is 114 km.

Ivano-Frankivsk International Airport is situated 4.4 km from the center of Ivano-Frankivsk. The distance from the airport to Dolyna is 68 km.

Other than by air, you can get to Dolyna by rail or road. Our city is located just 138 km away from the EU border.



ORGANIZATIONAL FORMS OF DOING BUSINESS

If you decide to start your own business in the Dolyna Amalgamated Territorial Community, you will be surprised at how fast and easy registration is. You can set up new businesses that are 100 % owned by you regardless of whether you are a Ukrainian or foreign investor; open branches or other standalone units of your company; acquire existing Ukrainian enterprises or create joint ventures with Ukrainian legal entities or individuals.

The most common types of companies operating in Ukraine are limited liability companies (LLCs), public joint stock companies (PJSCs), and private joint stock companies (PJSCS). 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 existing shareholders do not have the preemptive right to buy the floated shares. A PJSC, on the other hand, is allowed to offer its shares through private placement only.

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

The most popular form of business organization in Ukraine is a limited liability company, which is approximately equivalent to an LLC in Great Britain or a GmbH in Germany. An 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 founding 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 learn about the formalities involved, email your request to rada.dolyna.info@gmail.com for a detailed road map describing every step you need to take so that you can start your business in the Dolyna Amalgamated Territorial Community as soon as possible.

TAXATION SYSTEM



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

Key payments for most businesses operating under the general taxation system are:

- value added tax at 20% (exports are subject to the rate of 0%);
- 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 salaries paid to employees of a company;
- personal income tax at 18% of salaries paid to employees of a company;
- 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 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 International Financial Reporting Standards and the European Union accounting laws.

The accountant is responsible for accounting at the enterprise, and the director as the authorized representative of the owner is responsible for arranging the accounting practices. Companies in Ukraine may entrust accounting to their full-time employees or outsource it contractually. Such services typically cost around €100 a month for newly created companies with a small number of transactions.

HIRING EMPLOYEES



Ukraine has a population of 42.0 million (as of September 1, 2020), including 16.9 million employed people aged 15 and older.

In Q2 2020, the average and minimum monthly wage in the Dolyna Amalgamated Territorial Community was €265 and €156, respectively (at the exchange rate of the national currency, hryvnia, as of September 1, 2020: ₴ 32.9 to €1).

Despite low compensation, Ukrainian workers are very hardworking and creative, because every fifth person holds a university degree. One proof of the effectiveness of Ukrainian human resources is 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 business entities.

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 recruitment services to employers. The price of such services is usually equal to the monthly wage of the employee to be hired by the customer company



BANKING, FINANCE, AND INSURANCE

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

The Ukrainian currency is the hryvnia (symbol — ₴, code - UAH). Its exchange rate as of September 1, 2020 was ₴32.9 to €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 NBU, other banks in and outside Ukraine, to make financial transactions by using BankID from the NBU and SWIFT, the International Money Transfer System. The rates for making SWIFT payments are 0.5 % of the transfer amount on average.

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.

8,500 bank branches, along with a network of 279,000 merchant payment terminals and nearly 20,000 ATMs, create extremely convenient conditions for 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 provide insurance services in three main areas such as personal, property, and liability insurance, as well as risk reinsurance.



CUSTOMS RULES

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

The customs control system in Ukraine enables people that move goods for personal, family, and other nonbusiness related needs across the customs border to choose either one 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, a 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 lane" limits, or ii) weapons, potent medicinal drugs, explosives or radioactive substances; antiques, works of art or jewelry; data media; musical instruments; plants or animals (with an internationally accepted veterinary certificate).

Goods intended for industrial use or any other commercial purposes are imported to or exported from the customs territory of Ukraine in accordance with the Customs Code of Ukraine. It should be also noted 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 or export goods often, companies are better off hiring customs brokers — providers of customs clearance services.

REAL ESTATE TRANSACTIONS



Under Ukrainian law, real estate includes land plots and facilities which i) are located on them, ii) are inextricably connected with them, and iii) cannot be moved without impairment or modification of their intended use. The legal regime of real estate also applies to aircraft, sea-going and inland vessels as well as spacecraft.

Such real estate transactions as purchase, sale, lease, exchange, gift deed, pledge, easement, making a land plot available for agricultural purposes (emphyteusis), and granting rights to develop a land plot (superficies) are regulated by the Civil Code of Ukraine.

Foreign nationals 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 (ownership, leasehold, easement, etc.) are subject to state registration in the State Register of Real Rights to Immovable Property. The administrative fee for state registration of real estate is approximately €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).

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 restrictions (planning and architectural requirements for design and construction); II) obtain specifications (conditions and requirements for utility services required for the property under construction); III) prepare design documentation; IV) have design documentation reviewed by experts (by listed expert organizations); and v) obtain a building permit from the State Architectural and Construction Inspectorate of Ukraine.

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

LOGISTICS



One aspect of running any business is the logistical component of goods production and sale. Logistics are of particular importance for companies that make international transactions. Ukraine offers unique opportunities to such companies by virtue of being located at the intersection of main transport routes from Europe to Asia and from the Nordic countries to the Mediterranean. In Dolyna 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 by both local and international logistics companies that use road, rail, air, and water transport.

Urgent delivery of correspondence and packages and transportation of multiple tonnes of cargo, continuous online status monitoring of deliveries, and cargo storage in an appropriate temperature range — all this will maximize the performance of your business in the Dolyna Amalgamated Territorial Community.



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, stormwater drain, and procuring waste disposal services. Each one of these components essential to running a business is governed by relevant laws and regulations, and compliance is ensured by the National Commission for State Regulation of Energy and Utility Services. These services are directly provided by more than 1,900 business entities operating in Ukraine that are open to cooperation with investors.

Beside connecting to the utility systems, establishing a business involves addressing such matters as connection to telecom networks. To this end, there are more than 6 700 thousand providers of wired Internet, landline telephony, and mobile telephony services throughout Ukraine.

Ukraine offers every market condition for connecting to all the utility systems that an investor may need.



ENVIRONMENTAL REQUIREMENTS

Every investment project should be focused on environmental protection and sustainable utilization and renewal of natural resources to ensure environmental safety already 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 assessment of operations in petroleum refining, metals industry, production with the use of chemical or biological processes, construction of airports, highways, etc., which belong to the first category of proposed 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.



ANTITRUST LAWS

Ukraine is a market economy. It is competition, or free rivalry among entrepreneurs to gain

advantage over the rest through their own achievements, that creates a number of important preconditions 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 precondition for progress in science and technology.

Ukrainian laws on the protection of economic competition introduce special legal mechanisms to prevent anticompetitive concerted actions of business owners and anticompetitive actions of government authorities and to avoid the monopolization of markets for goods. At the core of these mechanisms are three types of monitoring exercised by the Anti-Monopoly Committee of Ukraine:

- monitoring to expose any concerted actions by business entities, so as to prevent anticompetitive collusion of business owners;
- monitoring of the concentration of business entities, so as 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 establishment of control by one entity over another or otherwise;
- monitoring to detect any anticompetitive actions of government authorities, 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. In other cases, the Anti-Monopoly Committee of Ukraine can become a source of useful marketing information for the investor

PROTECTION OF INTELLECTUAL PROPERTY RIGHTS



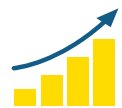
The Constitution of Ukraine states that “Everyone is entitled to own, use, and control their property, the products of their intellectual, creative activity.” Ukrainian laws on the protection of intellectual property rights comply with the requirements of the World Trade Organization and protect copyright (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 such as inventions, utility models, industrial designs, innovative proposals, trademarks and service marks, appellations of origin of goods, plant and animal varieties, topographies of integrated circuits, trade secrets).

The employer is the sole owner of intellectual property rights to products created by his employees through work, unless expressly provided otherwise in an employment contract or independent contractor agreement 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, appellations of origin, 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 passing).

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.

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 value added tax and corporate tax (as listed in the Tax Code of Ukraine) and exemption from import duties (as listed in the Customs Code of Ukraine). Locally, investors may be granted exemptions from property tax, land tax, and land rent.

Investors that do business within industrial parks are entitled to 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 contributions to the development of the infrastructure of a populated area (such contribution to 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; however, it will be abolished beginning on January 1, 2021).

ACCOMMODATION IN UKRAINE



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

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 of your choice. 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 the Dolyna Amalgamated Territorial Community ranges from €12 per night in a three-star hotel to €60 per night for a deluxe suite.

You can book hotel rooms and apartments yourself by using international online booking systems. But if you are actually planning to start a business in the Dolyna Amalgamated Territorial Community, email your query to rada.dolyna.info@gmail.com, and we will help you to choose the best accommodation that will come as a pleasant surprise.

Advantages of doing business in the Dolyna Amalgamated Territorial Community:



Favorable location
in a region with a pristine ecology



Convenient transportation:
Dolyna railway station, H10 and R-21 highways



Abundant natural resources



Developed infrastructure



Highly skilled and hard-working
local residents



A wide selection of office and industrial
spaces for various types of business



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



A European mindset and a high level
of culture among local residents



A wide range of existing companies
interested in cooperation



High-quality conditions for living,
recreation, and sports



Reliable public safety and the protection
of investors' property rights



Favorable business climate,
low local taxes

Dolyna Amalgamated Territorial Community Welcomes You With Open Arms!

With us, you will find unique opportunities for:

- construction of renewable energy facilities (solar, wind, thermal, renewable (biofuel) energy)
- harvesting and processing of medicinal herbs
- creating a spa resort, green tourism opportunities
- creating training and practice camps for athletes pursuing Olympic sports
- growing organic food
- producing food for healthy nutrition
- making products from wood and carbon fiber
- producing components for the automotive industry
- building plants to assemble finished products using components supplied by original equipment manufacturers
- providing transportation and logistics services
- constructing 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 bring to life your most daring plans and cherished ideas!

We welcome you in our community and guarantee a warm reception in our Ukrainian land, where we will do whatever it takes to help you and your business achieve new milestones and incredible success in the Dolyna Amalgamated Territorial Community!

**WE LOOK FORWARD
TO WELCOMING YOU!**

If you contemplate starting a business in the Dolyna Amalgamated Territorial Community, email your questions to: rada.dolyna.info@gmail.com, and we will help you chart the shortest path to the market!

WWW.DOLYNA.IF.UA





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