

Ukrainian Ambassador to Australia meets with treasury officials to discuss tax treaty



[Ukrainian ambassador Vasyl Myroshnychenko](#). Picture NCA NewsWire / Aaron Francis

EXCLUSIVE, [SARAH ISON](#), The Australian, SEPTEMBER 13, 2023

Australia is considering changes to tax arrangements that would make it easier for companies to invest in [Ukraine](#) and contribute to rebuilding the war-torn nation once the conflict comes to an end.

[Ukrainian ambassador to Australia Vasyl Myroshnychenko](#) confirmed he had met with top Treasury officials in recent weeks to discuss striking a deal between the two countries that would address the “double taxation” enforced on one source of income.

“I was assured by the Treasury that they are keen to start negotiations as soon as possible,” he told The Australian.

“I understand they are still to get the approval from [Treasurer Jim Chalmers](#) but I am very optimistic about that.”

Mr Myroshnychenko said he had already requested a meeting with Dr Chalmers to discuss the matter, but was yet to hear back.

It has been 18 months since Russia invaded Ukraine, with calls for Australia and its allies to maintain focus on the conflict.

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“This is one of the basic agreements which is signed between countries. It’s very important to have in place to get more Australian companies to invest in Ukraine and help Ukraine to rebuild and in reconstruction. A lot of that will come down to the tax arrangements on those countries,” the ambassador said.

Russia has launched fresh drone attacks on the Ukrainian capital.

The meeting between Treasury officials and Mr Myroshnychenko [follows The Australian reporting](#) in June that the department had rejected a plea for a tax treaty to be negotiated with Ukraine.

In a letter from the Ukrainian Australian Chamber of Commerce and Industry, the government was urged to pursue the tax reforms to “assist Ukraine in rebuilding the country”.

But the UACCI was told by a Treasury official in November: “Our tax treaty negotiation capacity is unfortunately fully deployed. Scope does not exist to add Ukraine to the program at this stage.”

While confirming there had been appetite from Australian officials to discuss the issue further since the reporting, Mr Myroshnychenko stressed the government needed to move on the tax treaty urgently given the long lead-time in getting such an agreement into force.

“Given that it takes a year or two to get one of those agreements, if we start now it will be there in time for when we need it,” he said. “We have to look at this from a standpoint of solidarity with Ukraine. Starting negotiation now with Ukraine is a way to express that solidarity.”

The government was contacted for comment.

Australia has tax treaties that address the issue of double taxation with more than 40 countries, including Russia.

Mr Myroshnychenko said the changes could also help Ukrainian businesses invest in Australia in the hope of “hedging their bets” and spreading their money across different jurisdictions as the Russian invasion continued.

Opposition Treasury spokesman Angus Taylor said the Coalition was calling on the government “to do the right thing” and implement a double tax agreement between Australia and Ukraine.

“Implementing arrangements like this takes time which is why the Coalition appealed for the government to act more than two months ago,” he said.

“It would be in Australia and Ukraine’s best interest have all the mechanisms in place now, so when the time comes, everyone is ready.”