

A photograph of a winding asphalt road through a mountainous landscape. The road curves through a valley with misty, hazy mountains in the background. The foreground shows a wet, dark asphalt road with white lane markings. The surrounding vegetation includes green grass and patches of pinkish-purple flowers. The sky is overcast and grey.

Practical Steps and Risk Minimization during IPO Preparation

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Key aspects / Risks

Due diligence finding / Impact on prospectus

Financial statements / Impact on perception of investors

Deal structuring

- Legal
- Tax
- Financial

Disclosures

- Ownership
- Related parties

Corporate governance

Exit strategy

Due diligence / Prospectus

Privatization

Antitrust

Corporate / Bankruptcy / Ownership

Environmental

Tax

Litigation / Contingencies

Ownership of key assets

Other issues

Other key risks

- Corporate Governance, especially future decision-making process regarding:
 - Future share emissions
 - Asset-stripping
 - Appointment and removal of Board and other Governing Bodies
 - Appointment and removal of Director
 - Related party transactions
- Liquidity of shares (exit strategy), especially for non Blue Chips
- Minority shareholders protection, especially for portfolio investors

Deal Structuring

Key Tax Issues To Consider

Future Revenue Flows

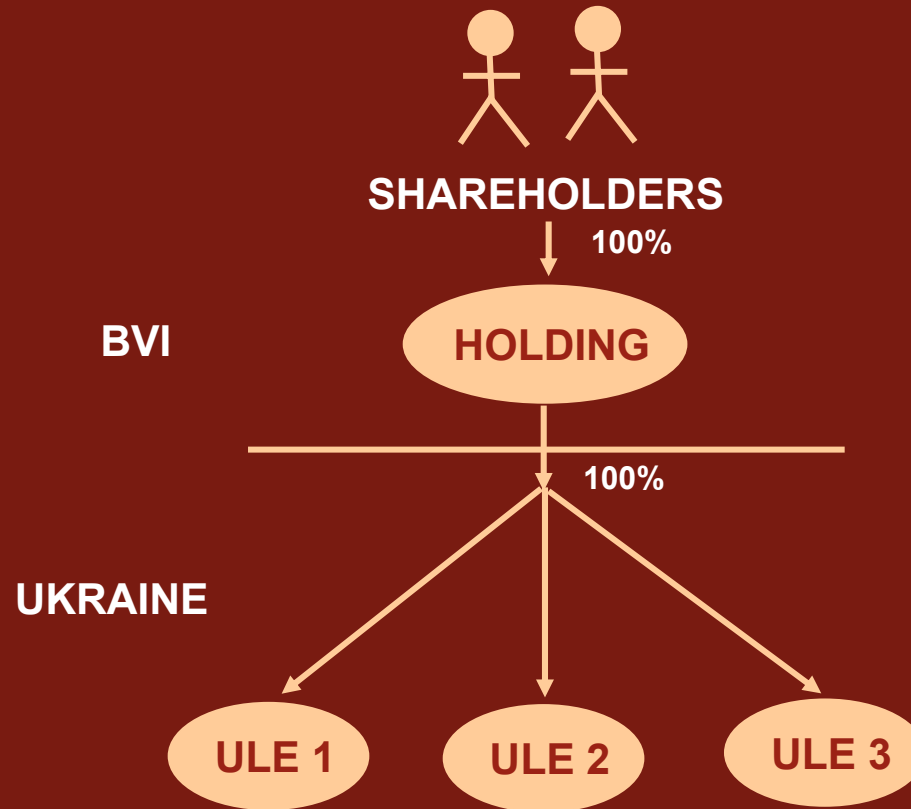
- Dividends
- Other revenue streams
- Capital gains
- Double tax treaties

Capital gains on IPO or transactions related to IPO

- Pre-deal structuring
 - Transfer pricing
 - Residency
 - Anti-avoidance provisions
 - Treaty shopping
- Deferral/special purpose vehicle/locations

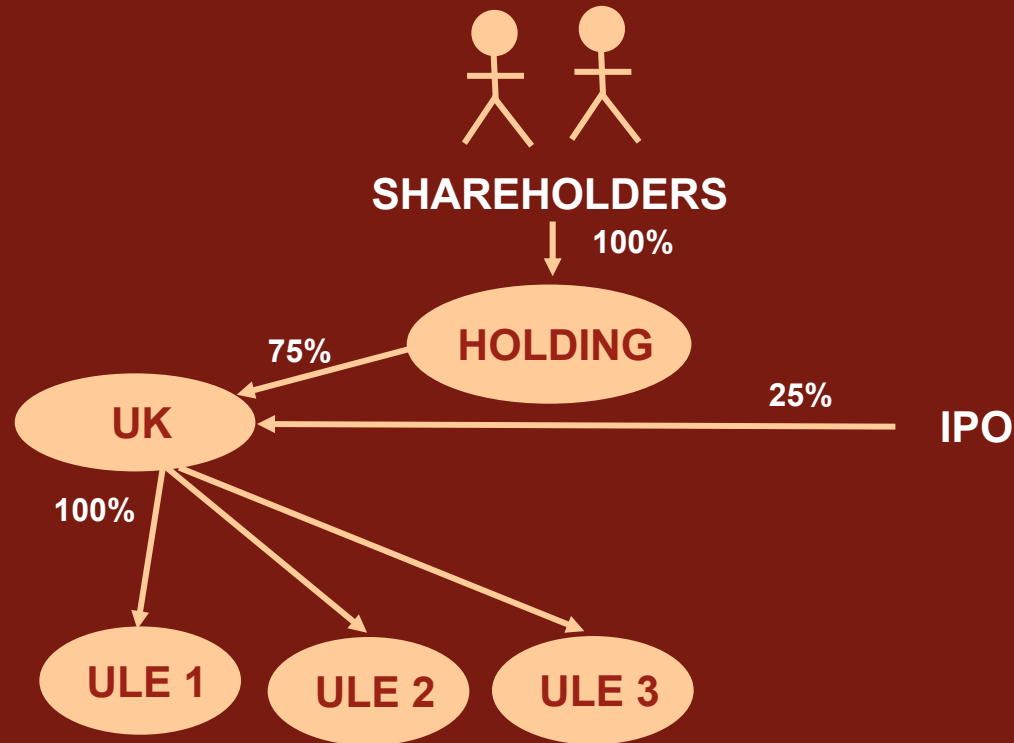
IPO – DEAL STRUCTURING TAX ISSUES

PHASE 1

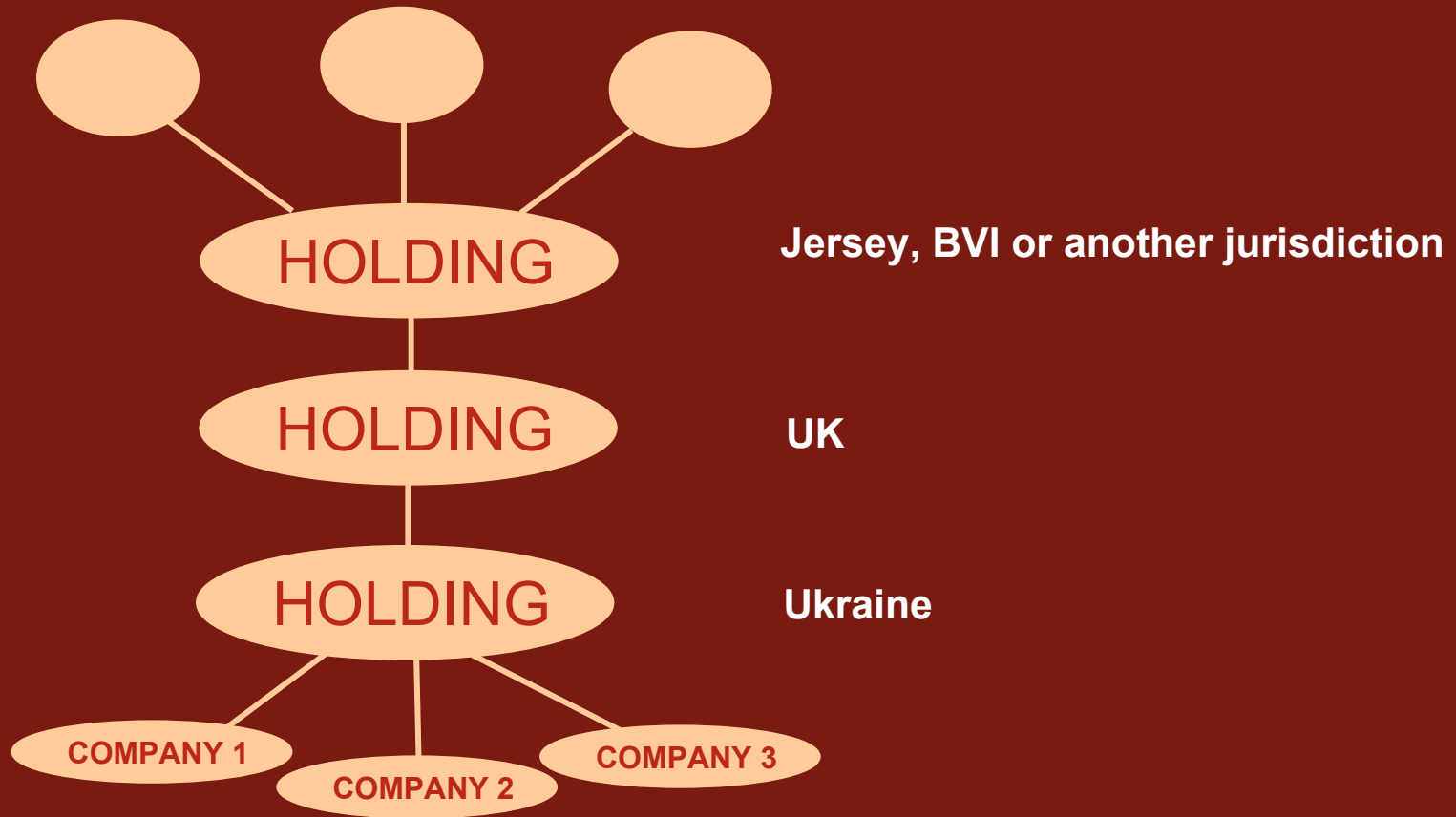


IPO – DEAL STRUCTURING TAX ISSUES

PHASE 2



OWNERS



Ukraine's Tax Treaty Network

COUNTRIES	DIVIDENDS,%	INTEREST,%	ROYALTIES,%
Non-treaty tax rate	15	Nil/15	15
Treaty countries:			
<u>Algeria</u>	5/15	Nil/10	10
<u>Armenia</u>	5/15	Nil/10	Nil
<u>Austria</u>	5/10	Nil/2/5	Nil/5
<u>Azerbaijan</u>	10	Nil/10	10
<u>Belarus</u>	15	10	15
<u>Belgium</u>	5/15	Nil/2/5	Nil/5
<u>Bulgaria</u>	5/15	Nil/10	10
<u>Canada</u>	5/15	Nil/10	Nil/10
<u>China</u>	5/10	Nil/10	10
<u>Croatia</u>	5/10	Nil/10	10
<u>Cyprus</u>	Nil	Nil	Nil
<u>Czech Republic</u>	5/15	Nil/5	10
<u>Denmark</u>	5/15	Nil/10	Nil/10
<u>Egypt</u>	12	Nil/12	12
<u>Estonia</u>	5/15	Nil/10	10
<u>Finland</u>	Nil/5/15	Nil/5/10	Nil/5/10
<u>France</u>	Nil/5/15	Nil/2/10	Nil/10
<u>Georgia</u>	5/10	Nil/10	10
<u>Germany</u>	5/10	Nil/2/5	Nil/5
<u>Greece</u>	5/10	Nil/10	10
<u>Hungary</u>	5/15	Nil/10	5

Ukraine's Tax Treaty Network

India	10/15	Nil/10	10
Indonesia	10/15	Nil/10	10
Iran	10	Nil/10	10
Italy	5/15	Nil/10	7
Japan	15	Nil/10	Nil/10
Kazakhstan	5/15	Nil/10	10
Korea	5/15	Nil/5	5
Kyrgyzstan	5/15	Nil/10	10
Latvia	5/15	Nil/10	10
Lebanon	5/15	Nil/10	10
Lithuania	5/15	Nil/10	10
Macedonia	5/15	Nil/10	10
Malaysia	15	Nil/15	10/15
Moldova	5/15	Nil/10	10
Mongolia	Nil	Nil	Nil
Netherlands	Nil/5/15	Nil/2/10	Nil/10
Norway	5/15	Nil/10	5/10
Poland	5/25	Nil/10	10
Portugal	10/15	Nil/10	10
Romania	10/15	Nil/10	10/15
Russia	5/15	Nil/10	10
Slovak Republic	10	10	10
Spain	18	Nil	Nil/5
Sweden	Nil/5/10	Nil/10	Nil/10
Switzerland	5/15	Nil/10	Nil/10
Tajikistan	10	Nil/10	10
Turkey	10/15	Nil/10	10
Turkmenistan	10	Nil/10	10
United Kingdom	5/10	Nil	Nil
United States	5/15	Nil	10
Uzbekistan	10	Nil/10	10
Vietnam	10	Nil/10	10
Serbia and Montenegro	5/10	Nil/10	10
Syria	10	Nil/10	18