

## Metinvest faces interruptions due to disconnection from VAT reimbursement system

Metinvest Group learned that in November 2015 all of its enterprises will be disconnected from the automated VAT reimbursement system. Tax reimbursement could potentially be done manually, but the amount of the reimbursement is not known to the Group.

This is not the first time in recent months that Metinvest's enterprises have been excluded from the automated VAT reimbursement system. However, it is unprecedented that all of the Group's enterprises will be excluded from the system at once.

The state's outstanding amount of VAT due for reimbursement as of 1 November was already UAH 2.33 billion. Tax bodies have yet to confirm that another UAH 1.1 billion will be reimbursed through the automatic system. The Group is also not confident that this amount will be reimbursed manually.

### **Yuriy Ryzhenkov, Metinvest Group's Chief Executive Officer:**

*"We have become aware that none of our enterprises were included into the approved list of entities for automatic VAT reimbursement in November. If there is no reimbursement, given the current market situation, the holding might have to stop operations at its enterprises. This could lead to the shutdown of the entire metallurgical sector in the country and layoffs to tens of thousands of employees. We call for the State Fiscal Service, the Cabinet of Ministers and the President of Ukraine to prevent this situation and reimburse legitimate outstanding amounts."*