Ф А 2.2.1-32-367

MINISTRY OF HEALTH OF UKRAINE
NATIONAL UNIVERSITY OF PHARMACY
pharmaceutical faculty
department of social pharmacy

QUALIFICATION WORK

on the topic **«ANALYSIS OF THE TAXATION SYSTEM IN THE PHARMACEUTICAL ACTIVITY»**

Prepared by higher education graduate of group Фс20(4,10д)-01
specialty 226 Pharmacy, industrial pharmacy
educationaland and professional program Pharmacy
El Mahrab TAHA
Supervisor: associate professor of higher education institution
of department of social pharmacy, PhD, associate professor
Lyubov TERESHCHENKO
Reviewer: associate professor of higher education institution
of department management, marketing and quality assurance in
pharmacy, PhD, associate professor
Irina BONDAREVA

Kharkiv-2025

ANNOTATION

The qualification work presents the results of the analysis of the taxation system, the results of the analysis of the features of the taxation of pharmacy establishments are given. A comparative analysis of the taxation systems of pharmacy establishments in Morocco is carried out, the advantages and disadvantages are identified.

The qualification work consists of the introduction, three chapters, conclusions and the list of references.

Key words: tax system, taxes, pharmaceutical activity, medicines, pharmacy.

АНОТАЦІЯ

У кваліфікаційній роботі представлено результати аналізу системи оподаткування, наведено результати аналізу особливостей оподаткування аптечних закладів. Проведено порівняльний аналіз систем оподаткування аптечних закладів Марокко, визначено переваги та недоліки.

Кваліфікаційна робота складається зі вступу, трьох розділів, висновків та списку використаної літератури.

Ключові слова: податкова система, податки, фармацевтична діяльність, ліки, аптечний заклад.

CONTENTS

ABBREVIATIONS

SSC – Single social contribution

EU – European Union

VAT – Value added tax

MAD – Moroccan dirham

LAC – Latin America and the Caribbean

OECD – Organisation for Economic Co-operation and Development

PIT – Personal income tax

INTRODUCTION

Relevance of a subject. Taxation of pharmacy establishments is an important element of regulation of the pharmaceutical sector of the healthcare sector, which provides the population with medicines and affects the financial stability of the pharmacy business. The choice of the optimal taxation system directly affects the competitiveness of pharmacies, their ability to expand their business and provide high-quality, effective pharmaceutical care to the population. The relevance of the study is due to the difficult economic conditions associated with global challenges and the need to ensure the availability of medicines for the population. The introduction of additional fees increases the tax burden on pharmacies, which requires effective tax planning strategies from them. Considering these factors, the issue of studying tax regimes and choosing the optimal taxation system for pharmacies is extremely important.

To achieve the put purpose. To analyze the features of the taxation system for pharmacy establishments, compare the advantages and disadvantages of taxation systems, and determine the criteria that influence the choice of tax regime in different countries.

Research objectives:

- to review the theoretical foundations of the construction and functioning of the tax system;
- to analyze and determine the peculiarities of the functioning of the tax system of the European Union (EU) member states;
- to determine the peculiarities of taxation of pharmaceutical enterprises and value added tax (VAT) of medicines in Morocco;

The subject of the study: the regulatory framework of Ukraine and Morocco, the works of scientists who were engaged in the study of the tax system.

The objects of the study. The advantages and disadvantages of pharmaceutical taxation systems in Morocco are identified.

Methods of research. When writing the qualification work, the following scientific research methods were used: comparative analysis, historical method, statistical.

The practical value of the work. The results of the research can be used to improve the taxation system of pharmacy establishments in the direction of ensuring an optimal balance between the tax burden and business development opportunities. In particular, the results can become the basis for the development of recommendations on the choice of taxation system depending on the scale of activities and optimization of administrative processes to simplify tax reporting.

Scientific novelty. For the first time, an analysis of the features of the taxation system of pharmacies was carried out, the advantages and disadvantages of taxation systems were compared and the criteria influencing the choice of tax regime in pharmacies in Morocco were determined.

Structure and volume. The work is presented on 59 pages of typewritten text and consists of an abstract, introduction, three chapters, general conclusions, a list of used literary sources, which contains 31 items. The article is illustrated with 13 tables and 6 figure.

CHAPTER 1. ESSENCE AND BASIC PRINCIPLES OF TAXATION OF PHARMACEUTICAL ACTIVITY

1.1 General characteristics of the tax system

The formation of the revenue part of the budget is an important activity of any state. The formation of market relations in the world has significantly changed the content of financial resources of the state budget, while tax methods of their accumulation are becoming increasingly important. Taxes become not only the main source of state budget formation, but also an important source of radical changes, playing the role of a financial regulator of production, becoming a means of ensuring the social sphere. Taxes are the largest source of revenue for the government. These revenues are used to finance public infrastructure, government projects, social programs, defense, and other vital expenses. Some desirable characteristics make the tax system efficient and successful. Before studying the characteristics of a quality tax system, it is necessary to find out what the tax system is.

The tax system is one of the main elements of the market economy, which plays a decisive role in the formation of state revenues, significantly affects the income of individuals and legal entities, is the main element of the state's influence on the development of the economy, determining the priorities of social development [5, 10]. The development and change of forms of state structure is always accompanied by the transformation of the tax system, therefore, economic transformations in the modern country and the reform of property relations have significantly influenced the implementation of the state's economic functions and have naturally led to the reform of the tax system [2, 5, 6].

The tax system consists of a series of rules, regulations, and guidelines adopted by the government to accumulate taxes from individuals and businesses within its jurisdiction.

To evaluate the benefits of the tax system, it is vital to consider it. The tax system cannot rely only on good taxes and needs tough taxes. It must generate sufficient income while keeping its taxpayers satisfied.

The purpose of the tax system is to ensure a fair distribution of the tax burden, stimulate the development of entrepreneurship and provide a financial basis for the implementation of state programs and social obligations [5, 12].

Regulatory regulation of taxation systems is the main part of the country's tax policy. Considering economic development and changes in the conditions of entrepreneurial activity, there is a need to regulate various types of taxation.

The taxation system is a normatively defined structure that includes taxpayers, their rights and obligations, types of taxes and fees (mandatory payments), as well as the procedure for their payment. The main elements of this system are subjects, objects of taxation, tax rates and sources of payment [11, 17].

The principles of building a tax system were first formulated by the Scottish economist and philosopher Adam Smith (1770), who emphasized the importance of fairness, certainty, convenience and economy of taxation. According to him, "a tax is a burden imposed by the state in the form of a law, which provides for both its amount and the procedure for payment." His ideas became the basis for the development of modern tax systems in many countries [15].

Thus, the modern characteristic of the tax system is that it is a multifunctional instrument of the state, which simultaneously provides financing of state needs, regulates the economy and provides social guarantees. An efficiently functioning tax system promotes economic growth, stimulates investment and maintains the stability of society, while an imperfect one can suppress business activity and cause uneven redistribution of resources [5]. Paying taxes is one of the main obligations of legal entities and individuals. The implementation of this obligation depends both on the presence of certain incentives and their legal regulation, and on a clear distribution of rights and obligations of tax legal entities.

The essential characteristic of the tax system is to determine the ways, principles and mechanisms by which the state redistributes financial resources in society through the collection of taxes and fees from legal entities and individuals [5, 20]. The main principles of building a modern tax system are efficiency, which is determined by regulatory and stimulating functions. Justice - implies the inexpediency and impossibility of shifting the tax burden to the poorer strata of the population and even partial redistribution through the mechanism of taxation of part of the national income in favor of the poorest strata. The basic principles and functions of the tax system are shown in fig. 1.1 [5].

PRINCIPLES

- o **Principle of fairness**: taxes should be fairly distributed among taxpayers depending on their income or wealth.
- o **Principle of equality:** all taxpayers in the same conditions should be taxed according to the same rules.
- o **Principle of economic feasibility:** taxes should not burden businesses and the population excessively so as not to suppress economic activity.
- o **Principle of stability and transparency:** tax legislation should be clear and predictable for taxpayers.

FUNCTIONS

- o **Regulatory.** Through taxes, the state can influence production volumes, employment levels, investments, exports and imports. In particular, the establishment of special benefits or higher tax rates in certain industries or for certain types of activities stimulates or restricts the relevant economic activity.
- o **Economic.** Taxes are one of the key sources of budget revenue and serve as a tool for redistributing income in society.
- o **Social.** The tax system plays a role in reducing excessive inequality in incomes. The progressive personal income tax scale, as well as social contributions and payments, allow for the protection of vulnerable groups of the population who need additional support.
- o **Controlling (**law enforcement). Tax authorities supervise compliance with tax legislation.
- o **Stabilizing.** During periods of economic crises or instability, the tax system can adjust fiscal policy - reduce the tax burden to support business, introduce tax holidays or, conversely, strengthen control if necessary to increase state revenues.

Fig. 1.1 The concept and functions of tax regulation.

In terms of economic content, taxes are financial relations between the state and taxpayers regarding the forced alienation of a part of the newly created value to form centralized funds of monetary resources necessary for the state to perform its functions.

Based on the essence of taxes, this category is considered not only as economic, but also as **socio social**. The process of collecting taxes is related to the social status (level of well-being) of specific taxpayers. Due to the payment of taxes, real incomes decrease, but when receiving public goods and transfer payments from the state, real welfare improves, therefore, using taxes as a tool for balancing social welfare, the state must consider the socio-social nature of taxes and tax payments.

Taxes are an instrument of state intervention in economic processes taking place in society. Using such an instrument, the state must optimally consider the interests of 3 parties to taxation:

1. state;
2. taxpayers;
3. specific citizens-voters who receive public goods.

Taxes are mandatory payments levied on individuals and legal entities on a regular basis. They are the main source of budget revenues and are necessary for the functioning of the state apparatus and the implementation of measures in such areas as healthcare, education, infrastructure, defense, etc.

There are clear rules for collecting payments. They can be levied directly on income or property or added to the cost of goods and services. The main features of the tax are the unilateral and coercive nature of its establishment and collection. Tax payments are made only based on the tax law: the taxpayer, the object of taxation, the tax base, the size of the rate, the tax period and the term of tax payment must be legally defined.

A tax subject is a participant in the processes of tax collection (payer, state, state bodies).

The object of taxation is a phenomenon, object or process, as a result of the presence of which the tax is paid. There are two approaches to evaluating an object:

- quantitative and natural;
- monetary.

Rate - a percentage or a fixed amount; period - a period during which taxpayers are obliged to transfer funds (month, quarter, year).

The source of payment is the fund, phenomenon or object from which the tax is paid. The source can be:

- income of the taxpayer received in various forms;
- part of the property, when there is not enough income to cover the tax;
- loan as a source of payment.

The main elements of taxes are defined in fig.1.2.

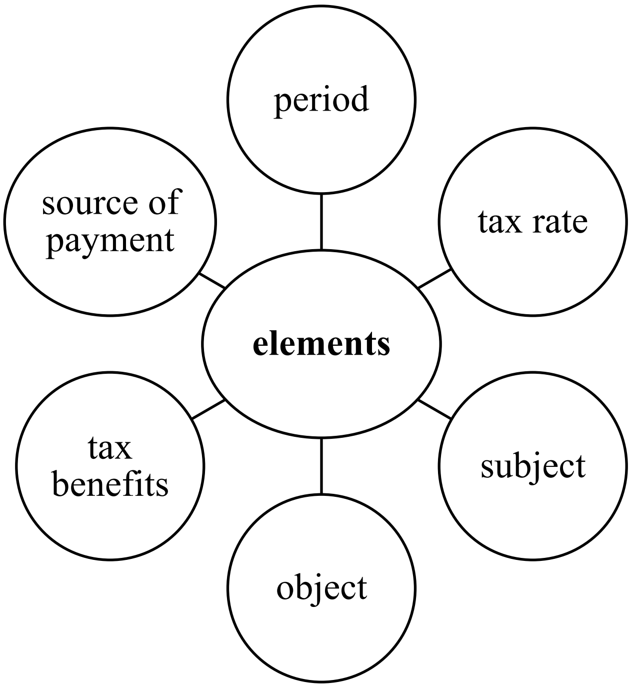


Fig.1.2 Tax elements, their characteristics

Tax rates are a legally established amount of tax, based on the object of taxation or the scale of measurement.

There are two types of bets:

- natural (solid) - in fixed amounts of money per unit of taxation.
- interest rates - in certain percentage ratios to the object of taxation.

Interest rates are of the following types (fig.1.3):

a) proportional - % rate, which provides the proportion of tax accrual;

b) progressive - with an increase in the object of taxation, the tax rate increases. If the growth rate of the tax rate corresponds to the growth rate of the object of taxation, this is a simple progression. If the growth rate of tax rates is ahead of the growth rate of the object of taxation, it is a difficult progression.

c) regressive rates - with an increase in the object of taxation, the tax rate decreases.

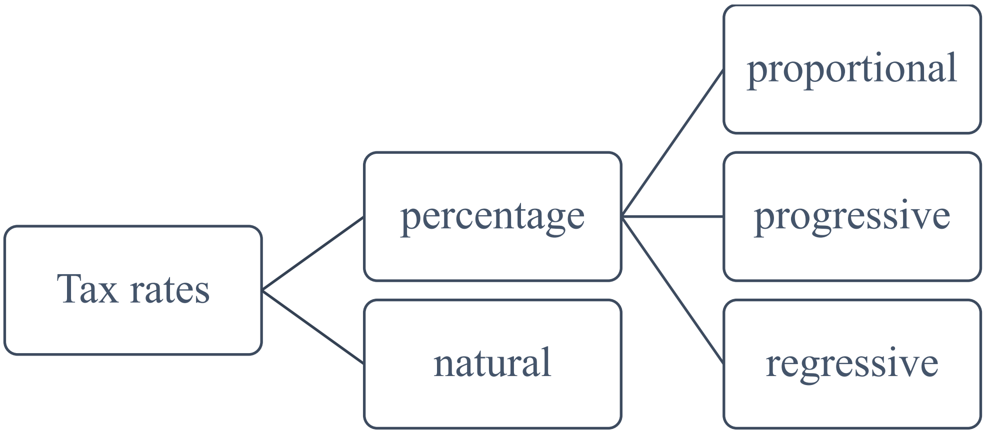


Fig.1.3 Types of tax rates

Tax policy is a system of actions carried out by the state in the field of taxes and taxation. It is reflected in the types of taxes, the size of tax rates, the defined circles of taxpayers and objects of taxation, in tax benefits. Tax policy is part of the general financial policy of the state for the medium and long term.

Taxes and fees can be classified according to different criteria, depending on the purpose of the study or the legislative approach [5, 17, 20]. The main characteristics of taxes include:

- payment of taxes is mandatory under the law, and failure to comply with this obligation entails sanctions;
- unlike payments for specific services, taxes are not tied to the receipt of direct benefits by the taxpayer.
- taxes are used to finance various government functions, such as education, health, defense, infrastructure, and social programs;
- tax policy can be used as an instrument of economic regulation, stimulating or restricting certain activities.

The taxation system is a multi-component structure that includes direct and indirect taxes. Direct taxes are levied directly from the object of taxation: corporate income tax, personal income tax. Indirect taxes are taxes that are included in the price of goods or tariffs for services: value added tax, customs duties (tabl.1.) [13,24].

Table 1.1

Key characteristics of different taxes

	Type of Tax	Description	Advantages	Disadvantages
DIRECT TAXES	*Personal income tax*	Tax levied on incomes/wages/earnings	Progressive-marginal rate, increases with increasing taxable income, is efficient in allocating income. Efficiency-higher revenues can be generated at lower costs by withholding income tax at source. Simple-if designed correctly, it can be easily understood.	A poorly designed income tax system could be very complex and difficult to understand, raising costs for the government and taxpayers. Income tax reduces the incentive to work more, reducing the total income received
	Corporate income tax	Tax levied on earnings or capital of corporations	•Simple - Can be varied without adding complex tax brackets to incentivize investors, creating jobs and supporting growth. •Progressive - If well structured, larger and more profitable firms pay more taxes.	In the absence of a treaty, double taxation can reduce incentives to save and invest. Complexity – multiple deductions to attract investment can complicate the process, reducing the revenues collected.
	Wealth taxes (property, inheritance)	Taxes based on wealth/valu	Progressive – the taxable value increases the more valuable the asset. Efficiency – with accurate records, more income can be generated for less cost.	Challenging to implement were not accurate records exist; difficult to assess value of property; easy to evade unless asset is immobile.

Continuation of the tabl. 1.1

	Type of Tax	Description	Advantages	Disadvantages
INDIRECT TAXES	*Consumption taxes (VAT, sales tax, goods and services tax)*	VAT - is levied on the value added at each stage of the production of goods and services. Consumption VAT on final purchases. Sales taxes apply only to tangible goods sold - services are usually not included.	Effectiveness - compliance, as it is collected at the point of sale. With the tax credit system, intermediaries are the same for each sale, exempt from any final tax cost. Simple - easy to comply with, as the tax is collected from the buyer's income, included in the price.	Is the same for every sale amount, regardless of the buyer's income, so can be regressive. Can be complex and encourage tax evasion.
	Excise tax (domestic, imported goods and services)	A special tax levied on luxury items or to restrict the consumption of certain products. Paid on the purchase of a specific good specified by the government.	Effective - difficult to avoid. Simple - easy to comply with, collected at the point of sale, included in the cost, may not be obvious to the consumer.Progressive - used for high-income populations due to consumption.	It can be especially regressive where it is intended to curb consumption.
	Import/ Customs tax/duty	Tax levied on value of imported goods and services	Efficient – With proper enforcement, difficult to avoid, raising more revenues at a lower cost.	In the case of poor preparation, a larger number of exemptions complicates the process.

Understanding the difference between direct and indirect taxes, their main types, is essential for compliance for companies in an ever-changing industry. Other taxes such as stamp duty, social security contributions, financial transaction fees, and user fees for government services also help broaden the tax base.

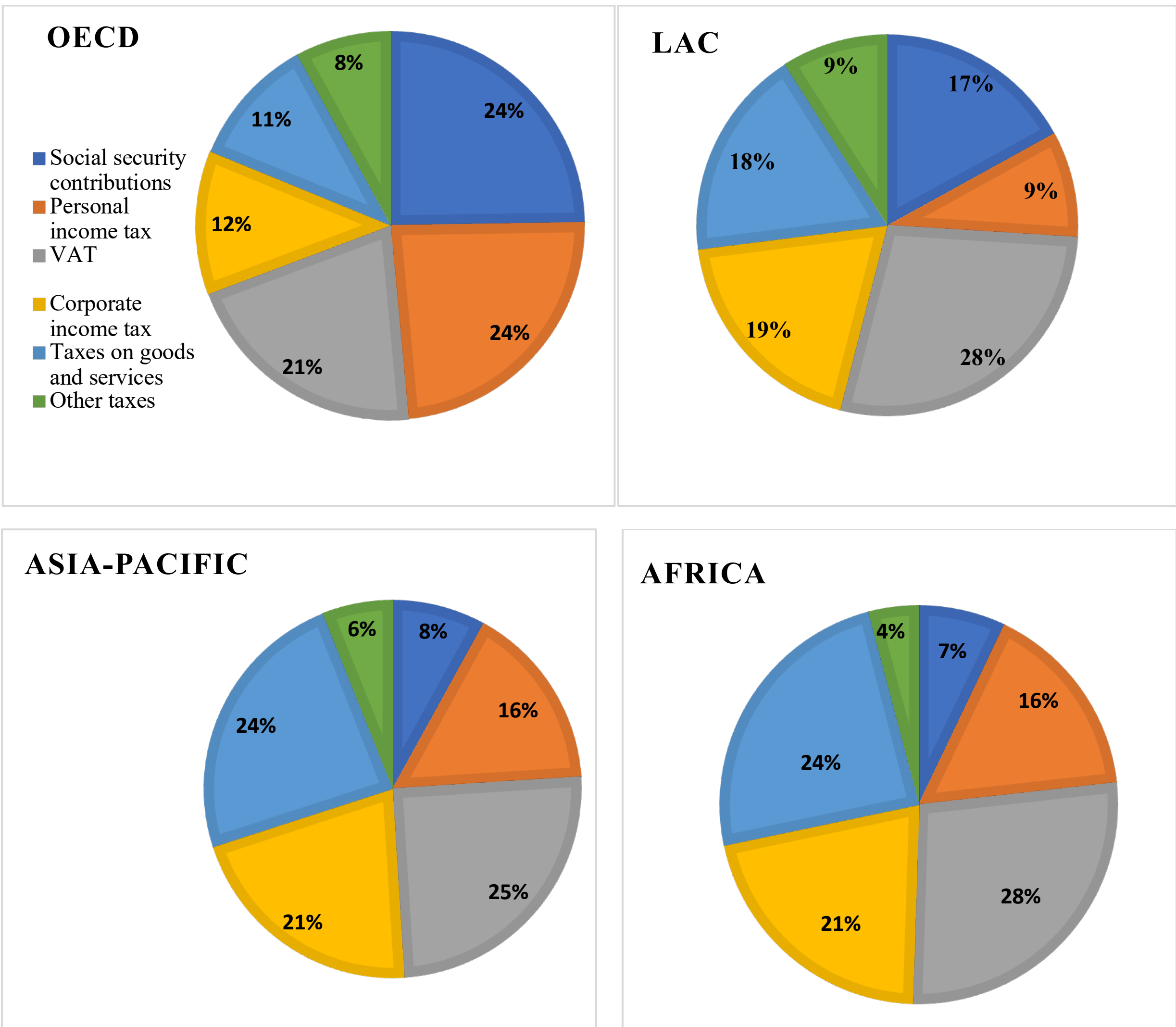
Recent approaches to tax design have often focused on specific principles such as simplicity, fairness, and efficiency, but the functioning of all tax systems involves trade-offs between these principles. A simple tax, for example, may be unfair. These trade-offs may change over time as society's views on what is optimal for the system evolve. In a prominent example, the tax system should be assessed as a whole, including all levels of government, but the interaction between the different components is a complex task. Some taxes are poorly assessed on certain principles, but still make an important contribution to the system. It is important to think about the entire taxation system, assessing the overall system on certain principles.

1.2 Overview of tax policy as a tool for regulating the economy

Tax policy is both a tool for stimulating economic growth in recession and a fundamental factor for ensuring economic development in the long term. The purpose of tax regulation is to promote economic growth and the flow of financial resources to the country's budget. Tax regulation largely depends on the chosen tax policy, taxation system, and tax benefits. Taxes, fees, and contributions to trust funds are tax instruments. Countries where people live well depend on effective tax policies and administrations that collect essential public revenues fairly and transparently. Only through a strong and robust public sector can governments deliver the services and programs needed to support social, economic, and environmental priorities.

At the international level, the tax landscape is being transformed in response to demands for a fair system. The global minimum tax introduced by the Organisation for Economic Co-operation and Development (OECD) represents an important step towards ending tax evasion by ensuring that large multinational corporations pay at least 15% tax in the countries where they operate.

The United Nations is also working to promote more inclusive and effective standards and norms. Tax Structures for OECD countries, Latin America and the Caribbean (LAC), Asia-Pacific and Africa, as well as for selected economies in 2022. After studying the report, it can be concluded that the economies of Africa, Latin America and the Caribbean, Asia and the Pacific rely more on revenues from taxes on goods and services and revenues from corporate taxes, while OECD countries place more emphasis on revenues from social security contributions and personal income tax (fig.1.4) [4-6].



Source: OECD 2024

Fig.1.4 Tax structures for the OECD and regional averages in 2022

In the wake of the COVID-19 pandemic, in the context of climate change, global conflicts and, as a result, a growing debt burden, mobilizing domestic resources to achieve sustainable, equitable and effective development is a huge challenge for most developing countries. Recently, OECD countries have been working on corporate tax policy issues. However, the fiscal needs of developing countries require broad efforts in tax policy – beyond corporate taxation – on issues such as value-added tax, tax transparency, financing of health and social protection, and taxes and the informal sector. OECD countries have also become more dependent on corporate tax revenues, despite a general decline in corporate tax rates worldwide.

A tax policy is designed to inform internal and external stakeholders about how an enterprise should address its tax issues. The policy sets out the rules, practices and procedures that govern the enterprise's tax issues, including important aspects such as:

- defining roles and responsibilities;
- compliance with tax laws;
- the approach to tax planning.

Tax policy can be described as the structure of an enterprise's tax system. Tax policy is an individual document that is periodically updated as the enterprise develops. The main goal of tax policy is to standardize the interests of taxpayers and the state, the population and business entities, which should occur through the development and implementation of effective mechanisms for public influence on the formation and implementation of public management decisions in the field of tax relations.

Based on the analysis of scientific sources, it can be concluded that the main directions of tax are implemented through:

- state activities in the field of taxation;
- the system of relations that develop between the state and taxpayers in the process of implementing the function of collecting taxes;

- a set of legal, economic and organizational measures in the field of regulation of tax relations;
- state policy of taxation of legal entities and individuals, which is aimed at ensuring tax revenues to the budget and stimulating economic growth.

There are several types of tax policies. It is possible to identify the bases used in countries.

The fiscal type of tax policy is characterized by the fact that its essence is the priority of the maximum possible increase in income without taking into account the strategic interests of the country's economy and taxpayers. Such a policy is characterized by an expanded structure of taxes and fees, high tax rates and excessive tax burden, and a minimum of tax benefits.

The next type of tax policy is **regulatory.** It focuses on strengthening the regulatory function of taxes. Such a policy is characterized by excessive enthusiasm for tax benefits, preferential economic and tax zones, regimes, weakness of tax control, setting tax rates at a level that does not meet the minimum needs of the state in financial resources, etc.

The control-regulatory type of tax policy, which is extremely rare in its pure form, is characterized by the fact that the state, without practically changing the elements of the tax process, tries to compensate for economic losses through repressive control measures, fines, and other sanctions.

The combined type of tax policy is focused on creating conditions for stable and uniform provision of the budget system with tax revenues. Their increase is achieved through the growth of legal volumes of production, consumption and income, intensification of investment activities and effective functioning of the tax control system under the conditions of optimization of basic tax rates and rationalization of the composition and structure of the tax system, tax benefits and tax sanctions, increase in the level of voluntary payment of taxes and reduction of arrears on settlements with the budget.

Modern tax policy in a broad sense depends on economic, political and socio-cultural factors of social development, acts as a means of distributing and increasing the redistribution of national gross income and filling the budget, can ensure economic growth and directly influence the formation of the state's social policy. It is on these socio-economic and other non-economic aspects of tax policy that many modern researchers focus.

Effective taxation is vital for development. Not only does it increase the revenues needed to fund public services, but it can also support development goals, such as helping to combat illicit financial flows, reducing inequalities through redistribution, and addressing health and environmental goals by influencing taxpayer behavior.

Conclusions to the 1 Chapter

It has been determined that taxes are an integral part of the economic system of any state, performing important socio-economic functions and contributing to the development of society. Taxes can be classified according to many criteria: from who establishes them (state or local level) to the economic essence of the object of taxation (income, property, consumption) and the principles of administration.

The tax system is a complex and multifaceted mechanism that requires careful study and proper application. The classification of taxes, the principles of their formation and legal regulation are key aspects that must be understood for effective business.

The tax system is a system of social relations based on certain principles and regulated by legal norms, which develop in connection with the establishment and collection of taxes and fees (taxation).

A tax system is effective if it can generate sufficient resources to finance government activities and public services. It must be able to promote the economic interests of the country and increase the well-being of residents.

CHAPTER 2. RESEARCH OF INTERNATIONAL EXPERIENCE IN TAXATION OF PHARMACEUTICAL ENTERPRISES

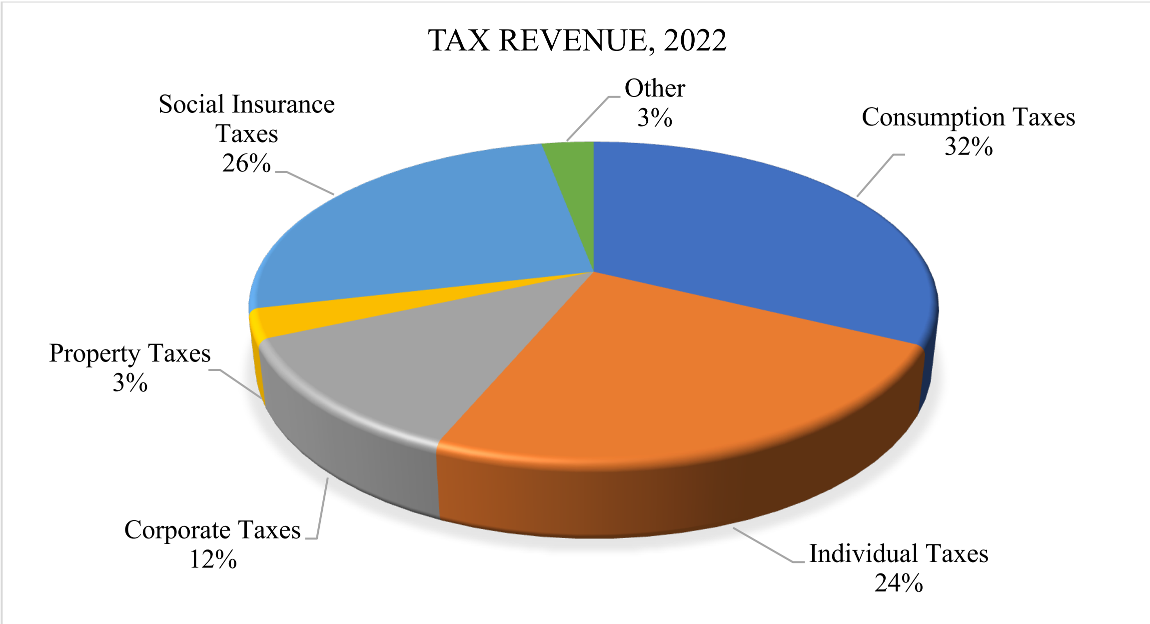
2.1. Study of the tax system of the European Union countries

Taxation is an important part of Europe's functioning society. A well-organized system allows citizens to access quality education, healthcare, and public infrastructure. A good tax mix supports social justice and can help provide security for the more vulnerable. Fair taxation is essential for sustainable incomes, the European social model, a competitive business environment and a common morality of taxpayers. It is central to the EU's socio-economic model and plays a crucial role in maintaining a strong and sustainable economy, a thriving business environment, and social justice. The purpose of EU tax policy is to ensure that all companies pay taxes where they make profits. To help achieve this, the European Commission in 2019 proposed the Anti-Tax Avoidance Directive, which sets out legally binding anti-abuse measures for the entire EU. These new measures have come into force, closing the main channels for tax evasion.

The tax system of the EU member states is characterized by a high level of integration and harmonization, which is ensured by common EU directives and regulations. Despite the diversity of national tax systems, there are a number of common principles and standards that contribute to the stability of the internal market and economic integration among the Member States [3, 5, 25, 32, 33].

The European VAT Directive establishes general rules on accounting, rates and reporting. The minimum standard VAT rate for member states is 15%, but the actual rates may vary (for example, in Germany – 19%, in Denmark – 25%, and in Luxembourg – 17%) [25, 32, 33]. Special VAT regimes are provided for certain sectors of the economy, such as transport, tourism and e-commerce. It should be noted that rates may change in accordance with legislative reforms in EU member states.

Developed EU countries increase tax revenues through personal income taxes, corporate income taxes, social taxes on insurance, taxes on goods and services, and property taxes. The Covid-19 pandemic has had a significant negative impact on tax revenues, but recently many EU countries are starting to recover. In general, EU countries rely more on consumption taxes, which account for 31.6 percent, social security taxes - 25.2 percent, personal income tax - 23.6 percent, than corporate income tax - 11.8 percent, and property tax - 5.4 percent % (fig.2.1) [8,9,13,17].



Source: Revenue Statistics - EU Countries

Fig.2.1 Average Tax Revenue in EU, 2022

Income tax is one of the key sources of revenues to the state budgets of the EU member states. Its main purpose is to tax income received by legal entities from commercial activities [14, 16, 22].

Countries with low corporate tax rates, such as Hungary and Bulgaria, are popular jurisdictions for international companies due to the simplicity of the tax system and the availability of preferential treatments. At the same time, high rates in France and Germany are compensated by an extensive system of tax rebates to reinvest income in business development or innovation. Despite the common goal of forming a transparent and fair tax system, in each EU country rates, benefits and taxation mechanisms have their own characteristics. Corporate income tax rates differ significantly between EU countries (tabl. 2.1) [23, 24, 25].

Table 2.1

Characteristics of income tax in EU countries [9]

Country	CIT Rate (%)	Reduced rates	Features
1	**2**	**3**	**4**
Austria	24	-	Rate reduction to 23% planned in the coming years
Belgium	25	20% for income up to €100,000	Additional tax on distributed profits
Bulgaria	10	-	One of the lowest rates in the EU
Croatia	18	10% for income up to 995,421	Simplified system for small businesses
Cyprus	12,5	-	Possibility of exempting profits from international activities
Czech Republic	19	-	Lack of regional surcharges
Denmark	22	-	High transparency of financial statements
Estonia	20	14% on distributed profits	The tax is levied only on the payment of dividends
Finland	20	-	Same rate for all legal entities

Continuation of the table 2.1

1	2	3	4
France	**25**	15% for small business	A gradual rate reduction for large companies has been introduced
Germany	**15**	+5.5% solidarity fee	Municipal tax is paid additionally (14-17%)
Hungary	**9**	-	The lowest CIT rate in the EU
Latvia	20	**-**	Tax is paid only on distributed profits
Lithuania	15	5% for small companies	Benefits for companies with up to 10 employees
Luxembourg	18	**-**	Additional local taxes bring the rate to 24%
Malta	35	Return up to 30% for foreign investors	High rate, but tax refunds apply
Netherlands	26	19% for revenues up to €200,000	Special regimes for innovation and patent income
Poland	19	9% for revenues up to €2 million	Flat rate for standard legal entities and entrepreneurs
Portugal	21	17% for small businesses	Additional fees in major cities
Romania	16	-	Ability to pay tax as a microenterprise (1-3% of income)
Slovak Country	21	-	Tax holidays for strategic investors
Slovenia	19	-	Discounts for innovative companies
Spain	26	15% for startups	Additional municipal tax
Sweden	21	-	Tax benefits for reinvested profits

In 2024, the average maximum PIT rate in European countries was 42.5%, 1.8 percentage points lower than in 2000. The personal income taxation system also differs between member countries (tabl. 2.2) [11,13,14,33].

Table 2.2

Characteristics of the personal income tax system in EU member states

Country	Taxation system	Rates (%)	Number of scale levels	Notes
1	**2**	**3**	**4**	**5**
Finland	Progressive	6 to 57%	5	High tax on large incomes, additional municipal tax
Denmark	Progressive	8 to 56%	3	State and local income taxes are combined
Austria	Progressive	0 to 55%	7	Different rates apply for different income levels
Sweden	Progressive	0 to 53 %	2	Municipal tax makes up a significant share of the rate
Belgium	Progressive	25 to50%	5	High taxes to ensure social programs
Slovenia	Progressive	16 to 50%	4	There are tax benefits for social expenses
Netherlands	Progressive	9.7 to 49.5 %	3	Rates consider social contributions
Ireland	Progressive	20 to 48%	2	High rate for earnings above a certain level

Continuation of the table 2.2

1	2	3	4	5
Portugal	Progressive	14.5 to 48%	7	High rates for revenues over 80,000 euros
Spain	Progressive	19 to 47%	5	Differences between regional rates
France	Progressive	11 to 45%	5	Additional tax for high incomes
Poland	Progressive	12 to 32%	2	A linear rate of 19% is available for entrepreneurs
Latvia	Progressive	20 to 31%	3	Low rate on socially significant incomes
Hungary	Fixed	15%	1	A flat rate for all income levels
Romania	Fixed	10%	1	One of the lowest rates in the EU
Bulgaria	Fixed	10%	1	Flat rate for individuals and businesses
Germany	Progressive	0 to 45%	5	There is an additional "solidarity" levy
Greece	Progressive	9% to 44%	6	Taxes are charged with certain benefits for medical expenses
Italy	Progressive	23% to 43%	4	Regional and local taxes can be added

Income tax in EU countries is an important tool for supporting state budgets and attracting investment. However, different approaches and rates create conditions for tax competition between member states. Despite this, the harmonization policy allows to ensure a balance between national interests and the requirements of the common European market, which contributes to the stability of the EU economic system.

In several countries, only the personal income tax is called income tax, while for legal entities the terms corporate income tax is used. Personal income tax rate is a tax levied on individuals and imposed on various sources of income, such as labor, pensions, interest, and dividends.

According to the results of the analysis, it was determined that in Sweden the progressive scale of income taxation reaches more than 60%, while in Bulgaria the rate is fixed - 10%. EU member states are economically developed countries that are distinguished by high levels of incomes and significant tax rates. It is determined that in most European countries a progressive scale of taxation is applied, this implies the principle of "the rich pay more".

Thus, in countries with a progressive scale, taxes increase with income growth. Fixed rates provide a simpler system for calculating taxes, but less differentiation between incomes. Some countries apply additional local fees and social contributions. EU promotes information exchange between tax administrations to combat tax evasion and avoidance of double taxation [24, 29, 33].

Thus, it can be argued that the European tax system demonstrates a balance between social justice and economic efficiency, stimulating the development of a market economy through clear regulation of personal income tax rates.

It should be noted that excise taxes on energy, alcohol, tobacco and other goods are regulated at the EU level to ensure the common market and protect the health of citizens. The European directive establishes minimum levels of excise duties and general principles for taxation of these goods.

The EU is actively working to harmonize the tax systems of its members to ensure the efficient functioning of the internal market. The main areas of harmonization include:

- **single market –** simplification of tax procedures and removal of barriers to goods, services, capital and labor between member states.
- **combating tax evasion – implementing** common standards for reporting, information exchange and prevention of tax evasion.
- **digitalization of tax systems –** development of electronic tax administration systems to increase transparency and efficiency of tax collection.

In the future, EU member states' tax systems are likely to continue to integrate and adapt to changes in the global economy, in particular through further digitalization, increased transparency, and increased cooperation between tax administrations.

2.2 Analysis of the features of taxation of pharmaceutical activities in the countries of the EU

Taxation of pharmaceutical entities (drug manufacturers, distributors, pharmacy chains) in the world has its own characteristics. The pharmaceutical sector has its own peculiarities. It belongs to the healthcare sector, which is a strategically important industry, as it provides the population with medicines. However, significant amounts of revenues in this area encourage states to look for effective taxation mechanisms that would balance between the fiscal interests of the budget and stimulation of the development of the industry and the availability of medicines for the population [26, 27, 29].

In some countries, there are industry incentives for companies that invest in research and development (R&D). For example, the system of R&D Tax Credits in the USA, Great Britain, Ireland and a number of other European countries provides an opportunity for pharmaceutical companies to significantly reduce tax amounts if they invest in research and development of new medicines [26, 30, 32].

Often, pharmaceutical companies transfer the rights to manufacture or market certain drugs or technologies. The taxation of royalties and licenses depends on double taxation treaties between countries. Some legislation (Switzerland, Ireland) offer special regimes for "intellectual property" that stimulate patent registration and R&D activities.

Some countries introduce targeted taxes or fees on the circulation of medicines (Pharmaceutical tax), which are aimed at financing the health care system, providing preferential medicines to the poor, prevention programs, etc. For example, in France, there is a special "tax on the sale of medicines", the proceeds from which go to social security funds. In Denmark, there is a system of fees to cover the costs of reimbursement (partial compensation) of the cost of drugs.

In countries with a developed health insurance system, such as Germany, France, partial or full reimbursement of the cost of medicines for patients is applied. This system is aimed at ensuring the availability of vital medicines for the population and reducing the financial burden on households. In such countries, pharmaceutical companies can receive tax benefits if they participate in reimbursement programs. At the same time, the state puts forward strict requirements for prices, quality and safety of drugs. In Germany, pharmaceutical companies participating in the reimbursement program can receive tax discounts on research and development (up to 25% discount on R&D costs); are exempt from additional fees for innovative drugs if they meet the requirements of the government. In France, the Innovative Development Credit (CIR) has been introduced - this is a tax credit of 30% on the first 100 million euros spent on research and development. In addition, benefits are applied to the salaries of scientists and R&D specialists in pharmaceutical companies. Corporate income tax is the main type of taxation for pharmaceutical companies in the EU. Thus, the lowest CIT rates are observed in Hungary - 9% (the lowest rate among EU countries), and the highest CIT rates are in Malta – 35% (considered one of the highest rates, but there are reimbursement mechanisms for foreign investors).

It should be noted that most EU countries stimulate innovative projects in the pharmaceutical industry by reducing CIT for income derived from intellectual property (patents, licenses) (tabl. 2.3).

Table 2.3

Tax incentives for pharmaceutical companies in some countries (source: European Commission)

Country	CIT base rate (%)	Reduced rates	Tax incentives
Germany	15% + local fee	-	R&D tax credit up to 25% of expenses
France	25%	15% for small businesses	CIR Credit – 30% for Research
Poland	19%	9% for small businesses	"Innovation Box" – 5% on IP revenues
Ireland	12,5%	6.25% for patent revenues	"Patent Box" – for innovative developments
Hungary	9%	-	The lowest CIT rate in the EU
United Kingdom	19% (up to 25% from 2023)	10%	Preferential rate for intellectual property
Italy	24%	-	Tax Incentives for the Development of Medicines for Rare Diseases

Thus, the "Patent Box" in the UK and Ireland – 10% and 6.25%, respectively, and the "Innovation Box" in Poland – 5% for revenues from patented medicines. In addition, countries such as Slovakia and the Czech Republic offer a temporary exemption from CIT for large investors in the pharmaceutical industry.

Based on the results of the analysis, it is determined that the income tax of pharmaceutical enterprises in the EU countries fluctuates depending on the economic policy of each state. States with low CIT rates (e.g., Ireland and Poland) actively attract international corporations, while Germany and France with high rates provide support for R&D projects through tax credits and rebates. Tax incentives such as the "Patent Box" and "Innovation Box" help countries develop the pharmaceutical industry and maintain competitiveness in the global market.

The system of taxation of medicines in the countries of the European Region significantly affects the availability of essential medicines for the population. According to WHO recommendations, states should consider the possibility of exempting essential drugs and active pharmaceutical ingredients from taxation, which will help reduce the financial burden on patients. This approach allows you to reduce household expenditures without a significant impact on the total income of the state budget.

According to the Council Directive 2006/112/EC "On a common system of value added tax", Member States may apply reduced VAT rates or even exempt certain goods and services from taxation [7]. Annex III of the Directive states that goods and services on which it is allowed to set a preferential rate of VAT include: pharmaceutical products for the prevention, treatment of diseases, contraception, sanitary measures, as well as veterinary needs, medical equipment for the relief or treatment of disability, which is intended for individual use by people with disabilities [7].

Value-added tax on pharmaceuticals varies considerably across EU member states. Germany has one of the highest VAT rates, second only to Denmark and Belgium. In contrast, Malta, Ireland and Sweden have completely exempted some medicines from VAT. Most EU countries apply reduced VAT rates on vital drugs and equipment (tabl.2.4).

Table 2.4

Characteristics of the VAT rates on pharmaceuticals (2023) [21,29]

Country	Tax on pharmaceutical	Rates Rx (%)	Rates on over the counter	Comment
1	2	3	4	5
Denmark	25	25	25	Standard rate for all medicines
Belgium	21	6	6	Same reduced rate for both types
Bulgaria	20	20	20	Standard rate on all drugs
Germany	19	19	19	Standard rate
Cyprus	19	5	19	Preferential rate for prescription drugs
Czech Republic	21	10	10	Only reduced rate for Rx and OTC
Estonia	22	9	9	Single reduced rate
Finland	24	10	10	Reduced rate for both categories
France	20	2,1	10	Reimbursable; non-reimbursable pharmaceutical
Greece	24	6	6	Preferential rate for all drugs

Continuation of the table 2.4

1	2	3	4	5
Ireland	23	0	23	Medications for oral use; medications for non-oral use
Malta	18	0	18	VAT exemption on Rx
Netherlands	21	9	9	Reduced rate for medicines
Norway	25	25	25	Single rate for all products
Sweden	25	0	25	Prescription drugs; non-reimbursable pharmaceuticals
Poland	23	8	8	Moderately reduced rate for drugs
Portugal	23	6	6	Reduced rate for Rx and OTC
Romania	19	9	9	Reduced rate on all medical supplies
Slovak Country	20	10	10	The only reduced rate for medicines
Slovenia	22	9,5	9,5	Reduced rate for medicines
Spain	21	4	4	One of the lowest rates for drugs
Switzerland	7,7	2,5	2,5	Low rate for all drugs
UK	20	0	0	VAT exemption
Luxembourg	16	3	3	Low rate for all drugs

Source: European Commission

Usually, taxes make up 20-30% of the final price that people pay for medicines [1]. Reducing or eliminating taxes on the sale of medicines can lower prices and improve the situation of access. The development of a tax system requires a balance of all goals. The percentage of government income derived from medicine taxes turn out to be small – 0.03-1.7% of the total tax revenues in the sample of the country data analyzed for the review. However, this requires effective tax systems to ensure adequate public funding for health services, including funding medicines to ensure access for the poor.

Among the 30 countries in Europe with VAT, usually with standard rates of 15-25%, five a zero VAT rate apply for some or all medicines. Further, 21 countries apply a lower tax rate (between 2.1-11%) to some or all medicines. Where countries apply lower or zero rates only to certain drugs, it is usually for prescription drugs, or publicly reimbursed medicines during OTC sales or drugs that are not refundable are taxed at the standard rate. In the U.S., 34 out of 50 states exempt prescription drugs from sales tax or apply zero speed. Some states also exempt over-the-counter drugs. In other states, medications are common in the general state sales tax exemption from any additional local government taxes.

It should be noted that for innovative developments (biotechnological drugs, orphan medicines), tax preferences are applied - VAT reduction or special support from the state, which encourages leading pharmaceutical companies to develop new drugs.

The introduction of preferential drug taxation regimes is an effective tool to reduce the financial burden on patients and improve access to pharmaceutical services. According to the practice of EU countries and WHO recommendations, reduced rates or exemptions from VAT can be economically feasible and support socially oriented health policies.

Conclusions to Chapter 2

According to the results of the study, it was determined that the tax system of the EU member states is complex and diverse, but at the same time demonstrates a high level of integration and harmonization. Common directives and initiatives contribute to the creation of a single market and ensure the stability of economic relations between member states. Despite existing differences, EU tax systems continue to evolve, adapting to modern challenges and promoting economic development and social justice across the Union.

It is determined that income tax in the EU countries is several instruments for financing state budgets and stimulating economic development. Different approaches and tax rates create conditions for tax competition, which can have both positive and negative consequences for the region's economy. The harmonization policy pursued by the EU is aimed at ensuring a balance between national interests and the needs of the common European market.

The analysis of personal income taxation systems in the Member States of the European Union demonstrates a significant variety of approaches that reflect the balance between social justice and economic efficiency. Most EU countries apply progressive tax scales, where tax rates increase with income growth, which is in line with the principle of "rich pay more". This contributes to a fairer distribution of the tax burden and the financing of social programs, which improves the standard of living of the population.

It is determined that the international experience of taxation of the pharmaceutical industry in the EU countries demonstrates the desire to achieve a balance between stimulating innovation and ensuring the availability of medicines for the population. A variety of tax approaches, adapted to national economic and social conditions, allow EU member states to effectively manage their tax systems, contributing to the development of a market economy and improving the quality of medical services.

CHAPTER 3. COMPARATIVE ANALYSIS OF THE GENERAL TAXATION SYSTEM OF PHARMACIES IN UKRAINE AND MOROCCO

3.1 General characteristics of the tax system of Ukraine

In Ukraine, all taxes and fees, rates, benefits, rules, as well as procedures and mechanisms for calculating and paying taxes are established by the Tax Code. According to the Tax Code of Ukraine, the main state taxes are:

• Corporate Income Tax (CIT) [8]

The CIT is paid from the profit with a source of origin from Ukraine and abroad, which is determined by adjusting (increasing or decreasing) the financial result before tax (profit or loss). In the financial statements of the enterprise, it is determined in accordance with the national accounting standards or international financial reporting standards, on the differences that are determined by the TCU. Resident business entities, foreign legal entities that receive profit with a source of origin from Ukraine, and permanent establishments of foreign companies are subject to corporate income tax at the rate of 18%.

The following are exempt from corporate income tax:

– non-profit structures (state organizations, charitable organizations and political parties);

– single tax payers (with annual income from transactions less than EUR 162 thousand);

– producers of agricultural products.

• Personal Income Tax (PIT)

The personal income tax rate is 18% (tax is charged on income). However, lower or zero personal income tax rates can also be applied in accordance with the current international agreements for the avoidance of double taxation. Personal income tax is paid by any individual (resident or non-resident) upon receipt of taxable income.

• Military tax

Military tax at a rate of 5% from December 1, 2024, is levied on the total monthly income taxed by personal income tax. The tax base for calculating the military tax is the same as for personal income tax. The purpose of the military tax follows from the name itself - to increase funding for Ukraine's defense spending.

• Value Added Tax

Sale of goods (services) in the customs territory of Ukraine, import of goods into the customs territory of Ukraine and export of goods outside the customs territory of Ukraine are subject to VAT. The basic VAT rate is 20% of the contractual value of the relevant goods (services).

Thus, the taxation system in Ukraine combines a number of taxes and fees aimed at filling the state and local budgets and at the same time stimulating entrepreneurial activity. Regular reforms, digitalization and adaptation to global challenges allow Ukraine to develop the tax sector in accordance with international standards and the needs of the national economy.

There are 2 systems of taxation of entrepreneurs in Ukraine — simplified and general. The types of taxes in both systems are the same, but in the simplified taxation system, the size of the single tax rate is different, there are some restrictions (for example, the number of employees, types of activities, etc.) depending on the group to which the individual entrepreneur belongs.

The general taxation system is the working conditions for entrepreneurs and organizations that do not have the right or do not benefit from switching to the application of a simplified taxation regime. On the general taxation system, it is not necessary to meet any restrictions on the types of activities, the number of employees or the amount of income.

In contrast to the simplified system, the general taxation system differs in that taxes are paid from the profit, and not from the total income received by the entrepreneur. If there is no profit or it is negative, then taxes are not paid.

The simplified taxation system is a special tax regime introduced to reduce the tax burden and stimulate small businesses in Ukraine. It was introduced by the

Presidential Decree No. 727/98 "On the simplified system of taxation, accounting and reporting of small businesses". Since 1999, it can be used by entrepreneurs [4].

The purpose and objectives of the simplified system are to reduce the volume of tax reporting and reduce the procedure for accounting for income and expenses, establish fixed tax rates (or a percentage of turnover) instead of several complex taxes, stimulate the opening of new enterprises and exit business from the "shadow" due to affordable taxation conditions [1, 3, 9, 27].

The simplified taxation system provides for only one type of tax: a single tax paid to the local budget. Regardless of this, entrepreneurs pay a single social contribution to non-budgetary accounts opened in the name of territorial bodies of the State Tax Service to receive a single contribution.

The peculiarity of the regulatory regulation of the activities of pharmacies in Ukraine is related to the fact that pharmacy establishments belong to health care institutions (Article 16 of the Fundamentals of Health, clause 27 of the License Conditions No. 929). The activities of pharmacies in Ukraine are regulated by both general tax legislation (Tax Code of Ukraine) and industry requirements (licensing, regulatory authorities, standards for the circulation of medicines, etc.) [27]. Privately owned health care institutions are not limited in the choice of organizational and legal form. A pharmacy can belong to a legal entity or an individual entrepreneur. Before choosing the appropriate organizational and legal form, you should pay attention to the peculiarities of taxation of individual business entities. In particular, it is more profitable for pharmacies owned by legal entities to pay income tax, since in this case the object of taxation is profit, and not the entire amount of income (revenue), as for single tax payers.

At the same time, pharmacies can operate both in the general and in a simplified taxation system (depending on the chosen business model and the volume of annual income). Thus, if a pharmacy carries out economic activities under the general taxation system and is registered as a legal entity (for example, a limited liability company, a joint stock company, etc.), it pays income tax at the standard rate of **18%.** The basis for calculating the tax is **the financial result** determined according to the accounting rules, adjusted for tax differences (if the company falls under their application). As a rule, enterprises with significant amounts of income report **quarterly**, others can report **once a year** (depending on the criteria of the Tax Code of Ukraine). Tax is paid based on the results of the relevant period (quarter or year) [20].

Individual entrepreneurs engaged in the retail sale of medicines and medical devices can choose the second or third group of the single tax payer (depending on the amount of income and the number of employees). Sole proprietors – owners of pharmacies, as a rule, use a simplified taxation system with the payment of a single tax in the second group (para. 2 of para. 291.4 of the TCU). These persons are mostly not VAT payers, since they are not subject to mandatory registration (para. 181.1 of the TCU). It is unprofitable for pharmacies to register as single tax payers of the third group, because the amount of the single tax (3% with VAT or 5% without VAT), calculated on the basis of income, is a significant amount [27].

Legal entities can apply the third group of the single tax (the rate is usually 5% of income or 3% including VAT). The single tax rates for the second group are up to 20% of the minimum wage, for the third group 5% of the income received (excluding VAT) or 3% including VAT. At the same time, with large volumes of activity (annual income in excess of the established limit), the pharmacy cannot remain on the simplified system and must switch to the general system [20]. Legal entities – owners of pharmacies usually apply the general taxation system with the payment of income tax. At the same time, pharmacies may be VAT payers, or they may not pay VAT due to failure to reach the maximum turnover specified in para 181.1 of the TCU (UAH 1000000).

Changes in 2025 increase the burden on individuals and entrepreneurs by increasing the military tax rate for income declared in annual tax returns. For simplified systems, a more simplified reporting form is preserved.

Based on the analysis, we summarized the data on the payment of taxes by pharmacies depending on the taxation system.

The results are shown in table. 3.1 [1-3].

Table 3.1

Comparative analysis of taxes for pharmacy on the General and Simplified Taxation System in Ukraine [27]

Type of tax	General taxation system	Simplified taxation system (group 3)
Restriction	No restrictions	Annual income should not exceed 9336000 UAH
Income tax / single tax	18% of taxable profits	5% of income (excluding VAT) or 3% (including VAT)
Value Added Tax	7% on medicines; 20% on other products of the pharmacy assortment	Depending on the chosen regime: 3% with VAT or 5% without VAT on income
Single social contribution	22% of the payroll	22% of the payroll
Military tax (for entrepreneurship)	5% of the taxable object	1% tax on income
Personal income tax	18% of employees' salaries	18% of employees' salaries
Military tax (for employees)	5% of employees' salaries	5% of employees' salaries

Thus, the total amount of tax liabilities of pharmacies depends on the chosen taxation system, the volume of transactions, the cost structure and the legal form.

Further, we have determined the criteria and carried out a comparative analysis of the simplified and general taxation system (table 3.2) [1-3].

Table 3.2

Comparative analysis of the simplified and general taxation system [27]

Criterion	Simplified taxation system	General taxation system
Tax rates	Lower single tax rates (3-5%).	Higher rates (18% of profits).
Administrative expenses	Low due to simplified reporting and lower accounting requirements.	High due to complex reporting and the need for complete accounting.
Growth opportunities	Limited to the income threshold and possible restrictions on the number of employees.	No income restrictions, which contributes to the continuous growth of the business.
Tax benefits and deductions	Limited opportunities for deductions and tax benefits.	Many opportunities for tax optimization through various deductions and benefits.
Flexibility of doing business	Less flexible due to a simplified system that may limit some aspects of the business.	It is more flexible, allows you to adapt to different business models and expand the range.
Level of bureaucracy	Low due to simplified reporting and lower documentation requirements.	High due to complex reporting procedures and interaction with tax authorities.
Risk of changes in legislation	High, since reaching maximum income may require switching to a different taxation system.	Lower, since the overall system is more stable and less dependent on reaching certain income thresholds.

A comparative analysis of the simplified and general taxation systems showed that each of them has its advantages and disadvantages depending on the specifics of the activities of pharmacy institutions. The simplified system is characterized by low administrative costs and simplified reporting, making it advantageous for small pharmacies with small incomes. However, its limitations on the income threshold and the number of employees may hold back further scaling of the business.

Instead, the general taxation system is suitable for pharmacies with large amounts of income, providing an opportunity to use tax benefits and deductions to optimize the tax burden. It is more flexible to expand your business and attract investment, but it comes with complex reporting and higher accounting costs.

3.2. General characteristics of the tax system of Morocco

Taxation is a driving tool available to governments, especially in developing countries, to expand development pathways that orient economic policies towards achieving greater economic and social progress.

Starting in 1993, Morocco implemented a privatization program that attracted more investment and facilitated the liberalization of markets.

Foreign investment in Morocco has expanded from the traditional sectors of textiles, fishing and agriculture to those representing greater value added, such as energy, infrastructure, transport, telecommunications, medical and pharmaceutical services.

Guided by international best practices and standards, the Moroccan government has made significant efforts to simplify and modernize its tax system to make it clearer, more efficient, transparent, fair and competitive.

The basic context of the Moroccan Tax Code is that all income and capital gains derived in Morocco are subject to Moroccan taxation.

Companies are taxed on the difference between their trading income and their expenses. Business expenses incurred in the course of business are generally deductible unless specifically excluded.

The Moroccan tax system consists of two main groups of taxes, namely state taxation, which is governed by the General Tax Code (CGI), and local taxation, which is governed by Law No. 47.06 on the taxation of local authorities.

The next wave of tax reforms began in 2021. The latest tax reform focuses on broadening the tax base, not raising tax rates.

The Moroccan tax system consists of direct and indirect taxes. Indirect taxes are a larger source of tax revenue than direct taxes. Moroccan corporations are subject to a unitary tax system called corporate tax [8].

The main taxes codified at the state level and regulated by the CGI are:

- income tax, which refers to the income and profits of individuals and partnerships;
- corporate tax, which refers to the income and profits of companies and other legal entities;
- Value Added Tax, which is applied to consumer spending;
- registration and stamp duties.

The current legislative framework on tax benefits provides for tax exemptions in general legislation and for certain sectors of activity to encourage investment and promote several industries.

Companies are subject to corporate income tax. Trusts and partnerships are not legally recognized in Morocco.

The Social Security Contribution (SSCs) and the broadening of the VAT base will play a key role, along with improving the design of the PIT and other taxes such as the PIT.

Having analyzed tax reports for recent years, we have identified the basic structure of the main tax revenues. The main source of tax revenues in the tax structure of Morocco is based on VAT.

VAT accounted for 29% of total tax revenues in 2022, followed by SSCs and corporate income tax (18%, 19%), respectively. Personal income tax accounts for 14%, excise duties, or taxes on domestic consumption, for 8%, and property taxes for 5% (fig. 3.1).

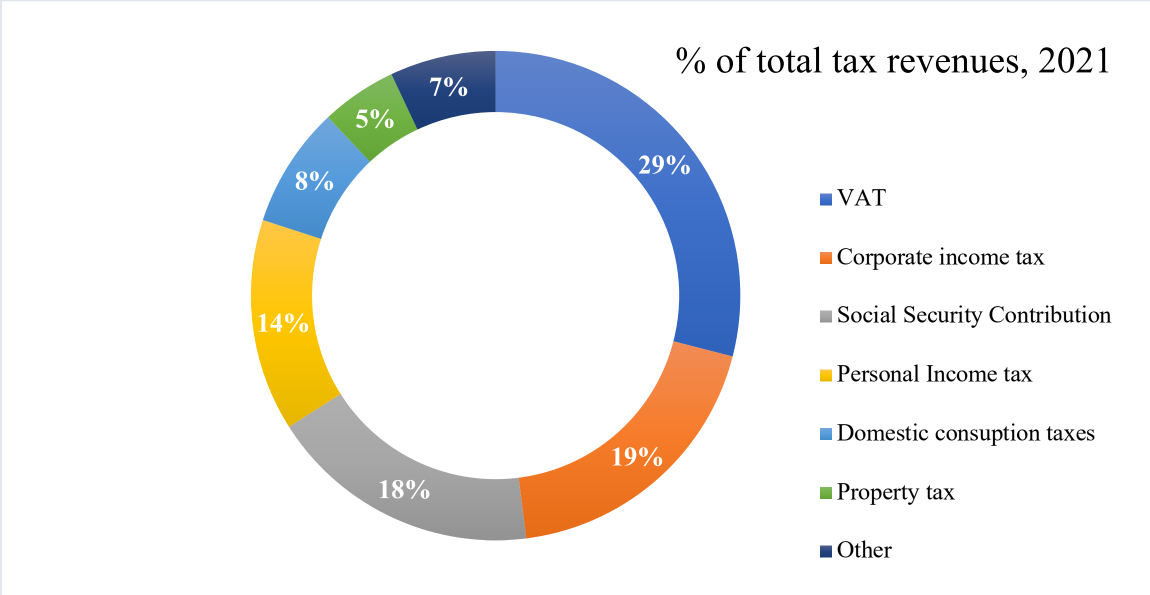


Fig.3.1 Morocco's tax structure in 2021

Let's take a closer look at each type of tax that is used in Morocco.

Moroccan general partnerships, in which all partners are individuals, in accordance with the Finance Law, can choose the type of taxation in accordance with the corporate tax regime. The same applies to joint ventures in which all parties are natural persons. **Corporate income tax** rates depend on the amount of taxable income applied in the financial year. In the table 3.3, we have highlighted the income tax rates for 2025.

Table 3.3

Corporate Income Tax Rates Applicable in Fiscal Year 2025

Taxable income (MAD)		CIT rate (%)
From	To	
0	300.000	17.5
300.001	1.000.000	20.0
1.000.001	Lower than 100.000.000	22.75
100.000.000	or more	34.00
Special and industry-specific CIT rates		
0	Lower than 100.000.000	21.5
100.000.000	or more	34.00

The 20% rate applies to:

- companies with the status of a controlled foreign company;
- companies operating in Industrial Acceleration Zones;
- companies established from 1 January 2023 that undertake, under an agreement signed with the state, to invest MAD 1.5 billion in tangible assets and maintain them for ten years (excluding government institutions and companies and their subsidiaries).

The financial year is usually a calendar year, although companies may choose to report in a different financial year. Accountants must file income tax returns within three months of the end of the relevant reporting period.

Corporate tax is paid in four equal instalments based on the previous year's assessment. The actual amount payable is adjusted within three months of the end of the reporting period.

In Morocco, the minimum contributions for a company have been determined.

CIT cannot be lower than a minimum contribution of 0.25% of turnover and other specific revenues for all companies, regardless of the reported current result. The contribution amount of 0.15% is applied to commercial companies that are engaged in the sale of petroleum products, gas, oil, oil, sugar, flour, water, electricity and medicines.

From January 1, 2023, the rules that the minimum fee is not payable for the first 36 months after the start of activities began to apply.

If the sale of goods takes place in Morocco, it is therefore subject to VAT.

Value-added tax, levied at every stage of the production and distribution cycle, suppliers of goods and services must add VAT to their net prices.

The standard VAT rate is 20% and applies to all suppliers of goods and services, except for those who are taxed at other rates or those who are exempt.

There are two types of VAT exemptions.

The first is an exemption with credit, equivalent to the concept of zero tax.

The second is liberation without a loan.

Zero-rate supplies include (but are not limited to) the supply of the following goods or services:

- Exported goods and services.
- Domestic and import sales and supplies of pharmaceutical products.
- Certain agricultural equipment supplied under certain circumstances.
- Investment goods accounted for as fixed assets in the company's accounting and purchased within the first 24 months after the start of operations.
- Offshore banks for certain specific transactions, such as interest and commissions.
- Goods and services provided to companies established in free trade zones, etc.

Value added tax is payable when the taxpayer's annual turnover exceeds MAD 500,000. To qualify for a subsequent VAT exemption, a taxpayer must maintain income equal to or less than this threshold for three consecutive years. To pay VAT, registration as a VAT taxpayer is required. The standard VAT rate is 20%.

VAT is levied in accordance with the Moroccan Tax Code and is payable on all industrial, commercial and craft operations carried out in Morocco, as well as on import operations. The Finance Law of 2024 provides for a gradual transition to the following rates: 0%, 10% and 20% between 2024 and 2026 [21].

All payments received by an individual are taxable, including wages, benefits, pensions and all employment benefits, investment income, income from property, and income derived from the exercise of business or professional activities.

Persons who have tax residency in Morocco are taxed on personal income earned in other countries. Persons who do not have tax residency in Morocco are only taxed on income derived from Moroccan sources.

Personal income tax in Morocco is calculated on a progressive scale. The higher the annual taxable income, the higher the tax rate. Individuals, regardless of nationality or occupation, who are domiciled in Morocco are subject to income tax on their worldwide income on a progressive scale ranging from 10% to 37%. We have highlighted the dependence of the interest rate on income in the table 3.4.

Table 3.4

Personal Income Tax Rates (2025)

Annual taxable income (MAD)	**Personal income tax rate (%)**
0 to 40.000	Exempted (0%)
40.001 to 60.000	10
60.001 to 80.000	20
80.001 to 100.000	30
100.001 to 180.000	34
More than 180.000	37

Professional tax is levied based on the annual gross rental value of the place of business used to carry on the taxable professional activity (or, if there is none, the individual's residence). For any newly established professional activity, a temporary exemption from professional tax is available for the first five years after it begins. Professional tax rates depend on the type of activity. The minimum tax also applies. A uniform professional tax is levied according to the classification of the profession by applying the appropriate rate to the rental price. For each establishment, the amount of professional tax payable cannot be less than the rates set out in table 3.5.

Table 3.5

Business tax rate by class [17-19]

Classes	**Professional tax rate**	**Urban municipalities**	**Rural municipalities**
C1	30%	1200 MAD	400 MAD
C2	20%	600 MAD	200 MAD
C3	10%	300 MAD	100 MAD

There are three types of tax regime in Morocco: general, special (simplified) and single professional contribution regime.

Individuals must fall under the **general tax regime**. This regime has no restrictions on the type of activity or the amount of annual income and requires the payment of taxes and social contributions based on net income.

Requirements for accounting. Taxpayers are required to keep regular records of income and expenses in the form of electronic registers (Article 145 of the Moroccan Tax Code). In addition, all invoices, receipts, waybills and other financial documents must be kept for ten years (Article 211 of the Moroccan Tax Code) [30].

Under the general tax regime, taxpayers must pay the following taxes and contributions:

- Personal income tax is payable based on total income (from both independent and other activities) at the progressive rates;

When calculating income tax, taxpayers can claim the following deductions:

- Donations made in cash or in kind to the specified organizations;
- Up to 10% of the total taxable income;
- Interest on loans related to the acquisition or construction of a permanent residence;
- Pension insurance contributions.

Taxpayers can reduce their tax base through documented business expenses and can carry losses forward for up to four years. Also, those who apply this regime can apply for a tax exemption for investments in innovative companies (Article 31 of the Moroccan Tax Code). The minimum contribution is mandatory, calculated at 4% of total income (with a minimum payment of MAD 1500), which applies even if there is no income during the tax period [31].

During the first three years of independent activity, taxpayers are exempt from this minimum contribution (Article 144 of the Moroccan Tax Code). The tax period is a calendar year, and the return must be filed by May 1 of the year following the year in which the income was received [31].

Late filing is subject to penalties of 5% for delays of up to 30 days, 15% for delays of more than 30 days and 20% for failure to submit or incomplete returns.

The simplified tax regime is available for freelancers whose annual income (excluding VAT) does not exceed [30]:

MAD 2,000,000 for commercial, industrial or craft activities, as well as for owners of fishing vessels;

MAD 500,000 – for the provision of services, professional activities (except for the sale of real estate, development and trade in goods), as well as for recurring income.

The simplified taxation regime can be applied provided that the income received during two consecutive reporting periods (calendar years) does not exceed the threshold values established for each type of activity. In case of exceeding the threshold values from January 1 of the year following the year of excess, income will be subject to taxation under the general tax regime.

Under the simplified tax regime, taxpayers must pay the following taxes and contributions:

- Personal income tax is paid in the same manner as under the general tax regime. Taxpayers who consult approved accounting control centers are eligible for a credit that reduces their tax base by 15%.
- Value added tax is paid in the same manner as under the general tax regime.
- Mandatory insurance contributions are paid in the same manner as under the general tax regime.
- Professional tax is paid in the same manner as under the general tax regime.

The Single Professional Contribution regime establishes a single payment that covers both income tax on independent activities and social contribution for compulsory health insurance. Restrictions are entitledly applied based on activities and income thresholds, including VAT.

The thresholds of income giving the right to receive are the same as those established for the simplified tax regime.

Table 3.6

Taxes and contributions paid by enterprises [29-31]

Type of tax	**Rate**	**Taxable base**	**Payment deadline**
Corporate Income Tax	20% if the taxable income is less than 100 million MAD 35% above 40% for banks and insurances	Taxable income is the difference between income and expenses for the financial year in question	Four quarterly instalments during the tax year and an adjustment within 3 months of the end of the financial year
Value Added Tax	Averadge 20%	Amount of the turnover	Quarterly if turnover is less than 1 million MAD Above this threshold, VAT is due monthly
Tax on professional income	10-30%	Thecorresponding rate of the profession to the rental cost	Before May 1st each year
Tax on salaries and wages	Marginal rate of 38%	Income net of allowed deductions	Monthly withholding tax
Tax property income	Margine rate of 37%	Amount of property income - 40% rebate	Before march each year
Tax on property profits	20%	Capital gain corresponding to the difference between the sale price and the purchase price	Within 30 days of the date of the sale of the property

Under this regime, taxpayers must pay the following taxes and contributions:

- The unified professional contribution includes income tax on independent activities, contribution to compulsory medical insurance. The amount of the contribution is calculated based on the income received, applying the coefficient established for each type of activity.

The tax system, as well as the principles, rates and methods of collecting taxes, are within the scope of the Finance Law. We have highlighted the main taxes and their regulation in the table 3.6.

Tax management is the most important element that can significantly affect the profitability of a pharmacy. Choosing a tax regime is a strategic decision for any pharmacy. Indeed, depending on the legal structure, the company may be subject to income tax or corporate tax. Each of these regimes has its own implications, both in terms of tax rates and profit allocation.

In the taxation of pharmaceutical activities, there are two tax regimes: income tax and corporate tax.

The choice between IT and CT can be influenced by the organizational and legal form of the pharmacy. For example, a sole proprietorship will be subject to CT, while a liberal practice company can choose IT, which will allow for more flexibility in managing profits and limiting liability to contributions.

Under IT, partners are taxed directly on their professional income. This system is particularly suitable for legal structures in which the partners act on their own behalf. Pharmacists working as sole proprietors or general partnerships are generally subject to IT, where liability is unlimited, but management is more flexible. The tax is calculated on a progressive scale that considers various factors, such as the marital status of each partner (single, married, has dependent children).

Legal forms such as a limited liability company or a limited liability company allow for taxation at the entity level, thereby providing limited liability for contributions and a more organized profit management structure.

The choice of legal form is the most important lever for tax optimization for pharmacies. Each legal form has its advantages and disadvantages in terms of taxation, partner liability and pharmacy management (tabl.3.7).

Table 3.7

Types of organizational and legal forms in accordance with taxation [26,28,30,31]

Elements	**Legal form**			
	Individual entrepreneurship	*General partnership*	*Liberal practice company*	*Professional civil society*
Taxation	Professional income tax	Taxation under IR, possibility to choose corporate tax IS	Possibility to choose IR or IS depending on the form of the company	Taxation under IR, possibility of choosing IS
Responsibility	Unlimited liability	Unlimited liability of partners	Liability is limited to contributions, except in cases of mismanagement	Unlimited liability of partners, but the possibility of limiting contractual liability
Control	Simplified management with fewer administrative formalities	Minimum of two partners required, joint management	More structured management, need to comply with company rules	Joint management, requiring at least two partners

Income tax is a form of taxation that directly affects the partners of a pharmaceutical pharmacy. Unlike corporate tax, which is levied at the company level, IR is calculated based on the share of profits distributed to each partner. Understanding these mechanisms is crucial for any pharmaceutical pharmacy looking to streamline its taxation.

This method of taxation has certain features that need to be understood to optimize taxation.

One of the key elements of IT is its progressive scale. This scale considers various factors, including the marital status of the partners (number of dependent children, marital status, etc.). Each partner's income is added to their taxable household income, and the tax is calculated based on predetermined income limits.

Each new Moroccan pharmacy is exempt from patent tax for the first five years from the date of opening and from paying the minimum tax for the first three years, which is mandatory for all operating enterprises. The income tax of pharmacies is 0.5% of the annual income, but if the annual income of the pharmacy is less than 3 thousand euros, the pharmacy is exempt from paying it. If the annual income of a pharmacy is more than 3 thousand euros, but at the same time it has a lot of expenses (for example, renting premises, buying equipment, salaries of employees, fuel for a car, etc.), which are confirmed by the relevant documents, then these expenses can be written off at the expense of income tax. According to statistics, 1 average pharmacy turnover is 750,000 dirhams per year, and the profitability does not exceed 5,000 dirhams per month. Thus, public authorities influence pharmaceutical policy and even manage pharmacists.

A pharmacy must keep accounting records in accordance with current legislation and regulations (in terms of IP under the PHP or RNS regime for individuals or in terms of IS for companies). On October 5, 2020, the Confederation of Pharmacists' Unions of Morocco, announced to pharmacists that the National Council of the Order of Pharmacists had entered into an agreement with the General Tax Directorate to establish a withholding tax for the years 2016, 2017 and 2018. Pharmacies that received an inspection notice after January 2020 are eligible to participate in this agreement.

Instead of the 0.5% withheld for pharmacies with a turnover of more than DH 1 million, the following decisions were made [16,26,30]:

1. For pharmacies with a turnover of less than DH 500,000, the minimum withholding amount has been set at DH 1,000 per year, which gives an amount of DH 3,000 for the three respective financial years (2016, 2017 and 2018).
2. For pharmacies with a turnover of DH 500,000 to DH 1 million, the minimum withholding amount was set at DH 1500 per year, i.e. a total of DH 4500 for the above period.
3. Over one million dirhams, two parameters must be met: the gross profit margin, which must be greater than or equal to 27%, and the net taxable profit, which must be greater than or equal to 8%.
4. If a pharmacy meets the standards for these two parameters, it will pay 0.5% of turnover (TO) per year, i.e. 0.5% of 2016 turnover, +0.5% of 2017 turnover and +0.5% of 2018 turnover.
5. If the pharmacy underestimates one of the two parameters, it will conduct an inspection. A corrective statement that brings a defective parameter into compliance with certain standards (depending on the rates determined at 27% and 8%), without specifying an amount payable less than 0.5% of its turnover.

The Order of Pharmacists reminds in its document that this agreement is not binding, and any pharmacist who signs it voluntarily will automatically receive exemption from tax audits for 2016 - 2017 - 2018.

According to the recommendations, the amount that each pharmacist must pay in income tax or professional income and wages, as well as VAT, will be determined based on the elements contained in their tax returns filed for these taxes. This considers the agreed gross margin rate and the taxable profit rate minus the tax already paid, and this amount must not be less than the minimum amount agreed upon by the parties.

The gross margin rate and net profit rate, as well as the minimum amount of payment per hour and unit of turnover, are set in the following order (tabl. 3.8).

Table 3.8

Set amounts of payments in accordance with the turnover for the year [28]

Turnover (TO)	Amount, Percentage paid per year	Amount, Percentage to be paid for the years 2016-2017-2018
< 500,000 DH	1000 DH	3000 DH
500,000 DH < turnover < 1 million DH	1500 DH	4500 DH
If the turnover is >1 million DH two cases arise	________	________
1st Case: If the gross margin is 27% and the net taxable income ≥ 8%	0.5% of turnover per year	0.5% of the total turnover for the three years (2016-2017-2018)
2nd Case: If the gross margin is around 27% and/or if the net taxable income is < 8%	The pharmacist must file a corrective declaration to bring the defective parameter(s) back into compliance with the defined standards (Gross Margin Rate: 27% and Profit Rate 8%), without the value being less than 0.5% of turnover.	

The same applies in the case of legal transformation of a managed entity, a person an individual into a legal entity [26].

Minimum contribution: 0.15% of turnover for medicines and 0.25% for others (minimum 1500 MAD for individuals and 3000 MAD for companies).

VAT: exemption from turnover up to 2,000,000 MAD.

Professional tax: 20% of the rental price after 5 years.

Rent reduction: from 10% to 15%.

Office: Declarations for Employees.

Medicines in many countries are exempt from VAT or are subject to low taxation.

Indeed, the Moroccan pharmaceutical sector covers about 70% of domestic demand and exports, reaching an annual turnover revenue of about 12 billion dirhams.

The narrowness of the national pharmaceutical market and its dispersion among many operators and the availability of more than 5000 drugs have become a serious reason for the state to revise the financing of the pharmaceutical sector. Specific subsidies were identified to stimulate domestic industry and the abolition of VAT on about 95% of medicines was introduced. The main purpose of the abolition of the VAT tax on medicines is to reduce the price and stimulate consumption.

Prior to the passage of the 2024 Finance Act, medicines were subject to VAT at a rate of 7%. Before the 2024 financial law, some medicines were already exempt from VAT in the right to deduct and import, namely:

- anticancer drugs, antiviral drugs for hepatitis B and C, medicines;
- indicated for the treatment of diabetes, asthma, cardiovascular disease, heart disease;
- acquired immunodeficiency syndrome and meningitis;
- vaccines;
- medicines for the treatment of fertility and multiple sclerosis;
- medicine, the manufacturer's price, excluding the tax established by law, exceeds DH 588.

The rest of the pharmaceutical products, as well as raw materials, products that are part of their composition and packaging that cannot be recovered, as well as the products and materials used in their production, benefited from a reduced rate of 7% in the domestic market and on imports. Thus, from January 1, 2024, all pharmaceutical products are exempt from VAT with the right to deduct both domestic and import. To benefit from the VAT exemption, eligible products must meet the following three conditions:

- comply with applicable laws and regulations;

- use in medicine for the treatment or prevention of human or animal diseases;
- be sold exclusively in pharmacies or authorized persons in accordance with applicable laws and regulations.

It should be noted that any product that does not meet the above three criteria cannot be considered as a pharmaceutical product, and this applies to parapharmaceutical products. Raw materials and products that come in whole or for part of their elements as part of pharmaceutical products, as well as non-recoverable packaging of pharmaceutical products, as well as products and materials used in them in production, were previously taxed at a rate of 7%, now subject to VAT at a rate of 20%, from January 1, 2024.

Conclusions to Chapter 3

It is determined that pharmacies in Ukraine that choose the general taxation system pay income tax at the rate of 18% of profit. It has been established that this system is more flexible and suitable for pharmacies with significant revenues and plans to expand their business. However, it comes with higher administrative costs due to the need for complete accounting and more complex tax reporting.

It is determined that in Morocco, income tax applies to the income and profits of individuals and legal entities that have not opted for corporate tax. Taxpayers who carry out their activities individually or within a company, in fact, can opt for one of the three simplified net profit or fixed income regimes.

Companies, whether incorporated in Morocco or not, are subject to income tax on all profits or income related to the property they own, the activities they carry out and the profitable transactions they carry out in Morocco, even if they are of a one-time nature.

After studying the Tax Code, we concluded that companies in Morocco are taxed on a progressive scale, with the corporate tax rate varying depending on the amount of taxable profits.

According to Moroccan law, a pharmacy that is just starting operations has tax benefits that exempt it from patent tax for the first five years and from the minimum tax for the first three years.

A comparative analysis of the tax systems of Ukraine and Morocco for pharmacy establishments shows significant differences in approaches to taxation that affect the financial stability and development of pharmacy enterprises. In Ukraine, pharmacies can choose between the general taxation system with an income tax of 18% or a simplified single tax system (group 3) with rates of 5% of income without VAT or 3% with VAT.

In Morocco, pharmacies generally operate according to a general system with a basic income tax rate, which depends on the size of the turnover.

GENERAL CONCLUSIONS

1. Based on the results of the analysis of scientific literature, it is determined that the tax system of Ukraine has passed a long way of formation and reform – from borrowing Soviet acts to a modern codified system that actively introduces electronic technologies and adapts to international standards. It has been established that today the tax system is at the stage of improvement, responding to internal challenges, such as the war, the need to support business and attract investments.

2. The analysis of approaches to the tax systems of the EU countries showed that they are complex and diverse, but at the same time demonstrate a high level of integration and harmonization. It has been established that income tax in the EU countries is an important tool for financing state budgets and stimulating economic development. Differences in rates and approaches to taxation cause tax competition, which can have both positive and negative consequences for the region.

3. The analysis of personal income taxation systems shows a significant variety of approaches among the EU countries. Most countries use a progressive tax scale, where tax rates increase with income growth, which ensures the principle of social justice "the rich pay more".

4. It is determined that the taxation of pharmaceutical enterprises in the world has specific features that consider the strategic importance of this industry for the healthcare system and significant volumes of companies' profits. Thus, in some countries there are targeted taxes or fees on the circulation of medicines, which are used to finance social programs, reimbursement and compensation of the cost of medicines for socially vulnerable categories of the population (France, Denmark). In many countries, there are benefits and reimbursements for companies investing in scientific research or operating in the field of intellectual property.

5. The analysis of the taxation systems of medicines in the EU member states indicates different approaches to the application of VAT. Most countries apply reduced VAT rates or complete exemption of certain categories of medicines from taxation, which increases the availability of vital drugs for the population. Thus, in France, the VAT rate for essential medicines is 2.1%, and in the UK and Ireland it is 0%.

6. The analysis of taxation systems of pharmacy establishments showed that the choice between general and simplified systems depends on the scale of activity and financial capabilities of the enterprise. It is determined that the effective choice of the tax regime and adaptation to changes in tax policy are important factors in ensuring the stability and development of pharmacy institutions.

7. It is determined that the taxation system of Morocco consists of direct and indirect taxes. Indirect taxes are a greater source of tax revenue than direct taxes. Moroccan corporations are subject to a unitary tax system called corporate tax.

8. Pharmacists starting in 2020 received an offer from the confederation of trade unions to sign an agreement for a free contribution, they are exempt from tax control for 2016-2017-2018. According to the agreement, income tax or professional income and wages, as well as VAT, will be determined based on the elements contained in the submitted declarations for the last 4 years.

9. An analysis of recent changes to the Moroccan Tax Code showed that VAT on pharmaceutical products was abolished in 2024. Other non-pharmaceutical goods, as well as single-use packaging of pharmaceutical products, products and materials used for their production, are taxed at a rate of 20%.

REFERENCES

1. Амбрик Л. Вітчизняний та зарубіжний досвід функціонування спрощених систем оподаткування. *Інвестиції: практика та досвід*. 2015. № 15. С. 28–33.

2. Аністратенко Ю. І. Правове регулювання державної політики щодо оподаткування суб’єктів малого та середнього підприємництва в Україні. *Право і суспільство*. 2015. № 2. С. 127–131.

3. Бойко О. Специфіка податкових систем України і країн Європейського Союзу та їх порівняльний аналіз. *Ефективність державного управління.* 2016. Вип. 4(49), ч. 2. С. 322–329.

4. Abdul-Jabbar H., Pope J. The effects of the self-assessment system on tax compliance costs of small and medium enterprises in Malaysia. *Australian Tax Forum*. 2008. Vol. 23(3). P. 289–307.

5. Tax policy for economic recovery and growth / A. J. Matthias et al. *The Economic Journal*. 2011. Vol. 121. P. 59–80.

6. Tax policy, investment decisions and economic growth / M. Bonucchi et al. *Revue de l’OFCE*. 2015. Vol. 141. P. 225–262.

7. Colangeli M. Albania: Accelerating EU-Oriented Reforms. URL: https://emerging-europe.com/opinion/albania-accelerating-eu-oriented-reforms/ (Date of access: 14.04.2025).

8. Corporate Tax Comparative Guide. 27 November 2024. URL: https://www.mondaq.com/tax/861554/corporate-tax-comparative-guide (Date of access: 14.04.2025).

9. Consumption Tax Trends 2018: VAT/GST and excise rates, trends and policy issues. URL: https://www.oecd.org/en/publications/consumption-tax-trends-2018_ctt-2018-en.html (Date of access: 14.04.2025).

10. Working Document: Developing countries’ duties and taxes on essential medicines used in the treatment of major communicable

diseases. URL:https://www.iprsonline.org/comm/trade/issues/global/medecine/docs/wtosub_100303.pdf (Date of access: 14.04.2025).

11. Failure factors of Moroccan microbusiness: the case of community pharmacies. URL: https://www.researchgate.net/publication/389288998_Factors_of_failure_of_Moroccan_micro-businesses_The_case_of_community_pharmacies (Date of access: 14.04.2025).

12. Fejzaj E., Gjon A. Impact of Tax Structure on The Business Environment. *Fejzaj ve Gjoni*. 2021. Vol. 7(1). P. 29–33.

13. Harper J. Business confidence low in Albania. 2018. URL: https://financialobserver.eu/business-confidence-lowin-albania (Date of access: 12.11.2024).

14. Pharmaceutical Group of the European Union (PGEU), International Pharmaceutical Federation (FIP), ABDA/Value Added Tax in the EU/. URL: https://www.abda.de/en/pharmacies-in-europe/value-added-tax-in-the-eu/ (Date of access: 12.11.2024).

15. Personal income tax rates. URL: https://www.podatki.gov.pl/en/residents/personal-income-tax-rates/ (Date of access: 14.04.2025).

16. Kagan J. Proportional Tax Defined. Retrieved from Investopedia. URL: https://www.investopedia.com/terms/p/proportionaltax.asp (Date of access: 14.04.2025).

17. Morocco's 2019 Finance Law introduces important changes to taxation - Africa 2019 - Oxford Business. URL: https://oxfordbusinessgroup.com/reports/morocco/2019-report/economy/new-developments-the-2019-finance-law-introduces-important-chang (Date of access: 14.04.2025).

18. Morocco enacts Finance Law 2023 A review of key tax measures / EY - Global. URL: https://globaltaxnews.ey.com/news/2023-5102-morocco-enacts-finance-law-2023-a-review-of-key-tax-measures (Date of access: 14.04.2025).

19. Ministère de la Santé. Rapport synthétique de la Conférence Nationale sur le Financement de la Santé. 2024. URL: https://www.emro.who.int/fr/mor/morocco-news/conference-nationale-sur-le-financement-de-la-sante.html (Date of access: 14.04.2025).

20. Rosaria R. C. The evolution of fiscal policy theory and the eurozone. *Rivista internazionale di scienze sociali*. 2019. № 2. P. 173–194.

21. Value added tax on medicines in EU countries. URL: https://www.researchgate.net/publication/346131120_Value_added_tax_on_medicines_in_EU_countries (Date of access: 14.04.2025).

22. Wages and salaries, social and labour relationship / State Statistics Service of Ukraine. 2018. URL: http://www.ukrstat.gov.ua/operativ/menu/menu_e/dn.htm (Date of access: 14.04.2025).

23. Taxation and Customs Union. Taxes in Europe Database v3. URL: https://taxation-customs.ec.europa.eu/index_en (Date of access: 14.04.2025).

24. The Fiscalis 2020 Programme. URL: https://ec.europa.eu/taxation_customs/fiscalis-programme_en (Date of access: 14.04.2025).

25. Trading economics List of Countries by Personal Income Tax Rate. URL: https://tradingeconomics.com/country-list/personal-income-tax-rate?continent=europe (Date of access: 14.04.2025).

26. The General Tax Administration of Morocco (Direction générale des impôts, DGI). URL: https://portail.tax.gov.ma/wps/portal/DGI-Ang/Dgi-Internet-Ang/Home/ (Date of access: 14.04.2025).

27. Tax Code of Ukraine : Law of Ukraine dated 02.12.2010 № 2755-VI. URL: https://www.wto.org/english/thewto_e/acc_e/ukr_e/wtaccukr88_leg_3.pdf (Date of access: 14.04.2025).

28. Tax rates in Morocco. URL: https://www.tradeclub.stanbicbank.com/portal/en/market-potential/morocco/taxes# (Date of access: 14.04.2025).

29. The latest EFPIA data on the VAT rates applied to medicines in European countries in 2018. URL: https://pharmaboardroom.com/facts/vat-rates-on-medicine-in-europe-by-country-2018/3 (Date of access: 14.04.2025).

30. Examen des Politiques Fiscales du Maroc. *OECD.* 2024. URL: https://www.oecd.org/fr/publications/examen-de-l-ocde-des-politiques-de-l-investissement-maroc-2024_e5752331-fr.html (Date of access: 14.04.2025).

31. Summary of the main tax meausures introduced by the moroccan financial law 2024. URL: https://nazaligundem.com/en/press/summary-of-the-main-tax-meausures-introduced-by-the-moroccan-financial-law-2024 (Date of access: 14.04.2025).

Ф А 2.2.1–32-366

National University of Pharmacy

Faculty pharmaceutical
Department of social pharmacy
Level of higher education master's
Specialty 226 Pharmacy, industrial pharmacy
Educational and professional program Pharmacy

APPROVED
The Head of Department
of Social Pharmacy

____
Alina VOLKOVA
"11" of September 2024

ASSIGNMENT
FOR QUALIFICATION WORK
OF AN APPLICANT FOR HIGHER EDUCATION

El Mahrab TAHA

1. Topic of qualification work: «Analysis of the taxation system in the pharmaceutical activity», supervisor of qualification work: Lyubov TERESHCHENKO, PhD, associated professor, approved by order of NUPh from "27" of September 2024 № 237
2. Deadline for submission of qualification work by the applicant for higher education: May 2025.

3. Outgoing data for qualification work: authors' publications; media publications; official health sites; State Statistics Service of the world; sites of WHO, Internet, etc.

4. Contents of the settlement and explanatory note (list of questions that need to be developed): analysis of the current situation of the economic situation in the Arab states; studying healthcare systems in Ukraine and the Middle East and North Africa; an analysis of the features of the taxation system of pharmacies; research on Moroccan tax law.

5. List of graphic material (with exact indication of the required drawings):
tables – 13, schemes – 6.

6. Consultants of chapters of qualification work

Chapters	Name, SURNAME, position of consultant	Signature, date	
		assignment was issued	**assignment was received**
1	Lyubov TERESHCHENKO, associate professor of higher education institution of department of social pharmacy	11.09.24	11.09.24
2	Lyubov TERESHCHENKO, associate professor of higher education institution of department of social pharmacy	21.11.24	21.11.24
3	Lyubov TERESHCHENKO, associate professor of higher education institution of department social of pharmacy	24.12.24	24.12.24

7. Date of issue of the assignment: «11» of September 2024.

CALENDAR PLAN

№ з/п	Name of stages of qualification work	Deadline for the stages of qualification work	Notes
1	Study of general characteristics of the tax system. Overview of tax policy as a tool for regulating the economy.	*October/November 2024*	**done**
2	Analysis of the tax system of the European Union countries.	*December/January 2024-2025*	**done**
3	General characteristics of the tax system of Ukraine and Morocco.	*February/March 2025*	**done**
4	Registration of a qualification work according to the general requirements	*March/Apri 2025*	**done**
5	Preparation of the report and multimedia presentation in official protection of a qualifying work	*May 2025*	**done**

An applicant of higher education ___________ El Mahrab TAHA

Supervisor of qualification work ____________ Lyubov TERESHCHENKO

ВИТЯГ З НАКАЗУ № 237

По Національному фармацевтичному університету

від 27 вересня 2024 року

Затвердити теми кваліфікаційних робіт здобувачам вищої освіти 5-го курсу Фм20(4.10д) 2024-2025 навчального року, освітньо-професійної програми – Фармація, другого (магістерського) рівня вищої освіти, спеціальності 226 – Фармація, промислова фармація, галузь знань 22 Охорона здоров'я, денна форма здобуття освіти (термін навчання 4 роки 10 місяців), які навчаються за контрактом (мова навчання англійська та українська) згідно з додатком № 1.

Прізвище, ім'я здобувача вищої освіти	Тема кваліфікаційної роботи		Посада, прізвище та ініціали керівника	Рецензент кваліфікаційної роботи
по кафедрі соціальної фармації				
Ельмахраб Таха	Аналіз системи оподаткування у фармацевтичній діяльності	Analysis of the taxation system in the pharmaceutical activity	Доцент Терещенко Л.В.	Доцент Бондарєва І.В.

Ректор

Вірно. Секретар

ФА2.8-03-317

ВИСНОВОК

експертної комісії про проведену експертизу
щодо академічного плагіату у кваліфікаційній роботі

здобувача вищої освіти

«10» червня 2025 р. № 331554018

Проаналізувавши кваліфікаційну роботу здобувача вищої освіти Ельмахраб Таха, групи Фс20(4,10д)-01, спеціальності 226 Фармація, промислова фармація, освітньої програми «Фармація» на тему: «Аналіз системи оподаткування у фармацевтичній діяльності / Analysis of the taxation system in the pharmaceutical activity», експертна комісія дійшла висновку, що робота, представлена до Екзаменаційної комісії для захисту, виконана самостійно і не містить елементів академічного плагіату (компіляції).

Голова комісії,
проректор ЗВО з НПР,
професор **Інна ВЛАДИМИРОВА**

Ф А 2.2.1-32-353

REVIEW

of scientific supervisor for the qualification work of the master's level of higher education of the specialty 226 Pharmacy, industrial pharmacy

on the topic: **«Analysis of the taxation system in the pharmaceutical activity»**

Relevance of the topic. The pharmaceutical sector plays a crucial role in public health and the economy, being responsible for the production, distribution, and provision of medicines essential for disease treatment and prevention. In recent years, taxation policies have increasingly influenced the pharmaceutical industry's operational and financial landscape. Analyzing the taxation system applied to pharmaceutical activities is highly relevant because tax regulations directly impact the pricing, availability, and accessibility of medicines.

Practical value of conclusions, recommendations and their validity. This study aims to examine these taxation mechanisms, assess their impact on the pharmaceutical supply chain, and offer recommendations for improving tax policies to promote the development of the sector while ensuring public health priorities.Thus, the research direction of El Mahrab TAHA qualifying work is relevant and has practical significance.

Assessment of work. During the qualification work, El Mahrab TAHA studied and analyzed a significant amount of literature and regulatory legal acts on the topic of licensing. The analysis confirms the relevance of the study and does not question the need for their implementation.

General conclusion and recommendations on admission to defend. On structure this work meets the requirements to qualification work in "Pharmacy" and can be presented to protection to EK of NUPh.

Scientific supervisor _________________ Lyubov TERESHCHENKO

«10» of June 2025

Ф А 2.2.1-25-356

REVIEW

for qualification work of the master's level of higher education, specialty 226 Pharmacy, industrial pharmacy

El Mahrab TAHA

on the topic: **«Analysis of the taxation system in the pharmaceutical activity»**

Relevance of the topic. Pharmaceutical taxation is structured differently across countries and is shaped by national economic objectives, health priorities and trade considerations. A systematic analysis of these structures is essential to understand how tax policies affect pharmaceutical production, pricing and ultimately patient access to medicines.

Theoretical level of work. The qualification work is a theoretical generalization and solution to a problem that is designed to substantiate the effective development of the pharmaceutical sector in modern conditions.

Author's suggestions on the research topic. The study provides an analysis of the taxation system in pharmaceutical activities, determines the impact of tax regulations on the operational aspects of this strategic sector. The relationship between tax policy and the pharmaceutical supply chain, including production, import and distribution of medicines, is considered. The paper analyzes the main types of taxes used in the field of pharmaceuticals, in particular, value-added tax, corporate income tax and customs duties.

Practical value of conclusions, recommendations and their validity. The results of this study can help pharmaceutical companies optimize tax policies to increase the sustainability of the sector, promote fair pricing, and expand access to medicines.

Disadvantages of work. El Mahrab TAHA qualification work, submitted for review, made a good impression, primarily due to its content and the relevant current standards of research results.

General conclusion and assessment of the work. On structure the specified work conforms to requirements to qualification work in "Pharmacy" and can be presented to protection to EC of NUPh.

Reviewer ____________________ Irina BONDAREVA

«11» of June 2025

Ф А2.5-32-231

ВИТЯГ

з протоколу засідання кафедри соціальної фармації

№ 22 від «11» червня 2025 року

ПРИСУТНІ: зав. каф. доц. Аліна ВОЛКОВА, проф. Ганна ПАНФІЛОВА, проф. Вікторія НАЗАРКІНА, доц. Галина БОЛДАРЬ, доц. Наталія ГАВРИШ, доц. Тетяна ДЯДЮН, доц. Юлія КОРЖ, асист. Альміра НОЗДРІНА, доц. Вікторія МІЩЕНКО, доц. Ірина ПОПОВА, доц. Олександр СЕВРЮКОВ, доц. Ірина СУРІКОВА, доц. Любов ТЕРЕЩЕНКО, доц. Наталія ТЕТЕРИЧ.

ПОРЯДОК ДЕННИЙ:

Про представлення до захисту в Екзаменаційній комісії кваліфікаційних робіт.

СЛУХАЛИ: завідувачку кафедри доц. Аліну ВОЛКОВУ з рекомендацією представити до захисту в Екзаменаційній комісії кваліфікаційну роботу здобувача вищої освіти спеціальності 226 Фармація, промислова фармація Ельмахраб ТАХА на тему: «Аналіз системи оподаткування у фармацевтичній діяльності».

Науковий керівник к. фарм. н., доцент кафедри СФ Любов ТЕРЕЩЕНКО.

Рецензент к. фарм. н., доцент кафедри ММЗЯФ Ірина БОНДАРЄВА.

УХВАЛИЛИ: Рекомендувати до захисту в Екзаменаційній комісії кваліфікаційну роботу здобувача вищої освіти Ельмахраб ТАХА на тему: «Аналіз системи оподаткування у фармацевтичній діяльності».

Завідувачка каф. СФ, доцент Аліна ВОЛКОВА

Секретар, доцент Наталія ТЕТЕРИЧ

Ф А2.2.1-32-042

НАЦІОНАЛЬНИЙ ФАРМАЦЕВТИЧНИЙ УНІВЕРСИТЕТ

ПОДАННЯ

ГОЛОВІ ЕКЗАМЕНАЦІЙНОЇ КОМІСІЇ
ЩОДО ЗАХИСТУ КВАЛІФІКАЦІЙНОЇ РОБОТИ

Направляється здобувач вищої освіти Ельмахраб ТАХА до захисту кваліфікаційної роботи
за галуззю знань 22 Охорона здоров'я
спеціальністю 226 Фармація, промислова фармація
освітньої-професійної програми Фармація
на тему: «Analysis of the taxation system in the pharmaceutical activity»

Кваліфікаційна робота і рецензія додаються.

Декан факультету ____________________ / Микола ГОЛІК /

Висновок керівника кваліфікаційної роботи

Здобувач вищої освіти Ельмахраб ТАХА під час виконання кваліфікаційної роботи вивчив і проаналізував значний обсяг літератури та нормативно правових актів по темі. Проведений аналіз підтверджує актуальність досліджень і висуває необхідність їх проведення.

Таким чином, кваліфікаційна робота може бути рекомендована до офіційного захисту в Екзаменаційній комісії Національного фармацевтичного університету.

Керівник кваліфікаційної роботи _____________________ Любов ТЕРЕЩЕНКО

«10» червня 2025 р.

Висновок кафедри про кваліфікаційну роботу

Кваліфікаційну роботу розглянуто. Здобувач вищої освіти Ельмахраб ТАХА допускається до захисту даної кваліфікаційної роботи в Екзаменаційній комісії.

Завідувачка кафедри

соціальної фармації ______________________ Аліна ВОЛКОВА

«11» червня 2025 р.

Qualification work was defended

of Examination commission on

«   » June 2025

With the grade ______________________

Head of the State Examination commission,

DPharmSc, Professor

______________________/Volodymyr YAKOVENKO/