




	EMPLOYEES	INDEPENDENT CONTRACTORS	GIG CONTRACTORS
			
	EMPLOYMENT AGREEMENT (CONTRACT) <sup>1</sup>	SERVICES/CONSULTANCY AGREEMENT <sup>2</sup>	GIG CONTRACT
HIRING ENTITY	Ukrainian entity	Ukrainian or foreign entity	Ukrainian entity registered as resident of Diia City <sup>3</sup>
TERM	Indefinite term, subject to certain limited exceptions	Usually for a defined period (project duration)	For either a defined or indefinite term
FORM	Written form, including a "simple form" (i.e., no written agreement; just application for employment and a hiring order)	Written or electronic form	Written or electronic form
TERMINATION	On statutory grounds (with very limited exceptions)	As stipulated in the agreement (including for convenience)	On statutory grounds or as stipulated in the gig contract
BENEFITS	Vacation, sick leave, maternity leave, severance, etc.	No employee-type benefits such as days off, holidays, sick and maternity leave, etc.	Vacation, sick leave, maternity leave, etc.
WORK TIME	Maximum 40 hours per week; overtime is capped at 120 hours per year; flexible working hours, remote and home working arrangements are specifically regulated	No statutory requirements	Capped at 40 hours per week with certain exceptions
TAXES/SOCIAL CONTRIBUTIONS	Employer withholds, remits and reports the personal income tax and military tax of employees and pays social insurance contribution	Contractor is solely responsible for reporting and paying all taxes and contributions	Company withholds, remits and reports the personal income tax and military tax of gig contractors and pays social insurance contribution
DISABILITY LAW DUTIES	Obligations to comply with disability employment quotas or pay a monetary contribution <sup>4</sup>	No obligations on the company	No obligations on the company
MILITARY DUTIES/LAWS	Employer has certain obligations under mobilization and military registration laws	No obligations on the company with regard to any contractor	No obligations on the company with regard to any gig contractor
PROTECTION FROM THE ARMY	A portion of employees may be protected by the employer from mobilization to the army (subject to obtaining critically important business status)	Company may not protect any contractor	Company may not protect any gig contractor

### CONTACTS



**Lina Nemchenko**

Partner

[lina.nemchenko@bakermckenzie.com](mailto:lina.nemchenko@bakermckenzie.com)



**Mariana Marchuk**

Counsel

[mariana.marchuk@bakermckenzie.com](mailto:mariana.marchuk@bakermckenzie.com)

1. In limited cases (e.g., with the CEO and other members of the management board, employees of Diia City companies), it is possible to conclude an employment contract, which is a special form of an employment agreement in written form that may contain additional termination grounds, "golden parachute" clause, additional rights and obligations
2. Risk: Potential but manageable misclassification risk for Ukrainian entities; potential permanent establishment risk for foreign entities
3. A special tax treatment regime for IT companies, offering reduced tax rates and other benefits
4. Payment of a monetary contribution in lieu of compliance with disability employment quotas is possible starting from 1 January 2026