THE CABINET OF MINISTERS OF UKRAINE
RESOLUTION No. 66
Kyiv, 27 January, 1997
ON APPROVAL OF THE PROCEDURES FOR COLLECTION
OF VALUE ADDED AND EXCISE TAX ON GOODS
IMPORTED TO UKRAINE

The Cabinet of Ministers of Ukraine hereby resolves:

The Procedures for Collection of Value Added and Excise Tax on Goods Imported to Ukraine shall be approved as enclosed herewith, and shall come into force five days from the date of publication. [1]

The State Customs Service of Ukraine, in coordination with the State Tax Administration, shall within two weeks adopt the Instructions on Procedures for Collection of Value Added and Excise Tax on Goods Imported to Ukraine.

Pavlo Lazarenko, Prime Minister of Ukraine

"Approved under Resolution No. 66
of the Cabinet of Ministers of Ukraine,
of January 27, 1997"

PROCEDURES FOR COLLECTION
OF VALUE ADDED AND EXCISE TAX
ON GOODS IMPORTED TO UKRAINE

These Procedures determine the mechanism for collection and control of the correctness of computation and timely payments of the value added and excise taxes imposed on goods imported to Ukraine by business entities in the foreign economic sphere regardless of the date and terms of contracts, and exemptions therefrom.

2. The value added and excise taxes shall be paid by taxpayers as receivers (buyers and customers) of goods or by persons acting on their instructions, entitled to declare and to pay taxes and customs duties (before or when presenting the shipper's declaration for customs clearance).

Goods for which no VAT and excise payments were made shall not be cleared through customs, except when exempted from these taxes as per legislative acts.

3. Control of correctly computed and timely collected VAT and excise payments re goods imported to Ukraine shall be exercised by the customs authority at the time of clearance procedures.

Control of correct computation and timely payment of VAT and excise payments re imported goods at the time of sales (transfer) shall be the responsibility of State Tax Administrations.

Control of excise payments on imported goods to bear excise stamps under Ukraine's legislation shall be exercised by customs authorities jointly with State Revenue Administrations. The fact of payment of the excise tax when clearing such goods through customs shall be attested to by an application-bill for excise stamps with an appropriate entry confirming all excise payments.

4. Goods imported by business entities, being subject to preferential terms as per legislative acts, shall be cleared through customs provided the importer submits a statement to the customs authority specifying the purpose of importation and subsequent use of the goods, and pledging
to use these goods exceptionally for the purpose stipulated by the preferential taxation terms.

5. VAT to be returned to business entities by State Tax Administrations, when engaged in export transactions, shall not be discounted as a mandatory payment when importing goods to Ukraine.

6. Payers of the value added and excise taxes on goods imported to Ukraine shall remit these payments to the customs authorities' deposit accounts.

7. Excessive or erroneously accrued and paid value added and excise taxes shall be refunded by customs authorities after receiving shipper's declarations and documents attesting to the payment of these taxes, but only within a year from the date of remittance of these payments to the budget.

8. Customs authorities shall, within one business day from the date of execution of the shipper's declaration, remit value added and excise tax payments to the State Budget under separate money orders, in keeping with set procedures, which payments shall be subsequently distributed and remitted to local budgets.

9. The State Customs Service shall on the 15th day of the month following the accounting period submit to the State Treasury information on import VAT remittances to the State Budget from administrative regions and customs authorities. Customs authorities shall submit registers of value added taxes paid by business entities in the foreign economic sphere to regional finance organs every month, before the 15th day of the month following the accounting period.

10. To secure accounting and control of actually accrued and paid value added and excise taxes, the customs authorities shall keep enterprises' personal accounts in accordance with procedures established by the State Customs Service.

II. Outstanding value added and excise tax payments re imported goods (including overdue bills) or such payments not made due to other reasons, causing arrears, shall be written off by authorized banks as per instructions of customs authorities, in keeping with procedures set by current legislation.

RESOLUTION No. 65 of 27 January 1997
ON CUSTOMS DUTY RATES

The Cabinet of Ministers of Ukraine hereby resolves:

1. To establish the customs duty rates, prescribed in the Customs Code of Ukraine, articles 47, 76, 77, 85, 86, 87, as per the supplement.

The State Customs Service shall within a month approve procedures of raising customs duties payable for customs clearance of goods and other items.

Customs duties payable for customs services rendered, shall be forwarded to the state budget of Ukraine and shall be used to develop customs authorities system in Ukraine.


This Resolution shall take effect on 31st day after its publication in the newspaper
Supplement to the Resolution of the Cabinet of Ministers of Ukraine of 27 January 1997 № 65

CUSTOMS DUTY RATES

<table>
<thead>
<tr>
<th>Customs Duty Type</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>(US dollars)</td>
<td></td>
</tr>
<tr>
<td>Customs clearance of goods and other items with customs value:</td>
<td></td>
</tr>
<tr>
<td>up to $100</td>
<td>$100 - 1000</td>
</tr>
<tr>
<td>$100-1000</td>
<td>5</td>
</tr>
<tr>
<td>more than $1000</td>
<td>0.2 per cent</td>
</tr>
<tr>
<td>of the customs value of goods and other items, but no more than equivalent of $1000</td>
<td></td>
</tr>
<tr>
<td>Customs clearance of property temporarily imported (exported) from Ukraine upon a commitment to reimport (reexport) it:</td>
<td>30</td>
</tr>
<tr>
<td>for every customs cargo declaration</td>
<td>15</td>
</tr>
<tr>
<td>for every additional sheet supplemented thereto</td>
<td></td>
</tr>
<tr>
<td>Customs clearance of goods in transit</td>
<td>5</td>
</tr>
<tr>
<td>for every customs cargo declaration</td>
<td></td>
</tr>
<tr>
<td>for every additional sheet supplemented thereto</td>
<td></td>
</tr>
<tr>
<td>Customs clearance of goods brought to customs license warehouse:</td>
<td></td>
</tr>
<tr>
<td>for every customs cargo declaration</td>
<td>30</td>
</tr>
</tbody>
</table>
for every sheet
supplemented thereto

Keeping goods and other items
under customs control, per day:

first 15 calendar days

every next calendar day 0.05 per cent of the

customs value of goods

and other items

Customs clearance of goods
and other items in the customs
control zones, on territories and
premises of enterprises where such
goods and other items are stored, or
during non-working hours (per one
hour work of one customs officer) 20

during working hours 40

during non-working hours, on Saturdays
Sundays, holidays 50

Refusal from ordered services
provided in Section 6 hereof, without
giving a previous notice in writing 20

Customs clearance of an
individual means of transport
provided it is used for carriage of
goods and other items in amounts
subject to customs duty 10

9. Issuing certificates and
permits for registration
(reregistration) of means of
transport imported to Ukraine,
including brought to Ukraine for
temporary use, and also numbered
aggregates that are subject to
registration with the State
Automotive Inspectorate 15

Storage of goods and other
items at the customs warehouses
(excluding goods and other items
specified in the Customs Code of
Ukraine, Article 86), per day (for 1 kg):

- **first 10 calendar days**: 0.1
- **every next calendar day**: 0.5

Storage of goods and other items subject to compulsory transfer to and keeping under the customs and specified in the Customs Code of Ukraine, Article 86, per day (for 1 kg):

- **first 10 calendar days**: 0.1 per cent of the value of goods and other items
- **every next calendar day**: 0.5 per cent of the value of goods and other items

Issuing the certificate recognising the enterprise as a declarant (for a period up to one year):

- **1500**

Prolongation (reregistration) of the certificate recognising the enterprise as a declarant (annually):

- **1000**

**THE CABINET OF MINISTERS OF UKRAINE**

**RESOLUTION N52**

*Kyiv, 23 January, 1997*

**ON PROCEDURES OF MANDATORY PAYMENTS WHEN IMPORTING CERTAIN TYPES OF GOODS**

In order to prevent tax evasion with respect to certain types of goods imported to Ukraine, the Cabinet of Ministers of Ukraine hereby resolves:

1. Certain types of goods indicated in the Annex hereto, being imported to Ukraine by business entities shall be cleared through customs provided the importing business entity presents an advance [1]
shipper's declaration covering excisable goods and executed by the customs authority at the place of registration of this entity, and provided this entity made all the required payments (import tax, VAT, excise, and customs duties) when being issued this declaration.

2. The State Customs Service shall within two weeks develop the procedures of execution of advance shipper's declarations to be issued by customs authorities at the place of registration of business entities importing goods indicated in the Annex hereto prior to their crossing the customs border of Ukraine.

3. This Resolution shall come into force 30 days after it is carried by the newspaper Uriadovy kurier. [2]

Pavlo Lazarenko, Prime Minister of Ukraine
Ind. N52

Annex to the Resolution No. 52 of the Cabinet of Ministers of Ukraine, of 23 January, 1997

LIST OF GOODS IMPORTED TO UKRAINE ON CONDITION OF PRESENTING ADVANCE SHIPPER'S DECLARATION COVERING EXCISABLE GOODS, AND OF PAYING CUSTOMS DUTIES

<table>
<thead>
<tr>
<th>TN ZED commodity code</th>
<th>TN ZED commodity description</th>
</tr>
</thead>
<tbody>
<tr>
<td>22.03.00</td>
<td>malt beer</td>
</tr>
<tr>
<td>22.04.10 (except 22.04.10; 22.04.30)</td>
<td>natural grape wines, including fortified wines</td>
</tr>
<tr>
<td>22.05</td>
<td>sparkling wines; champagne</td>
</tr>
<tr>
<td>22.06</td>
<td>vermouth and other additives or flavorings</td>
</tr>
<tr>
<td>22.07</td>
<td>natural grape wines</td>
</tr>
<tr>
<td>22.08 10 100</td>
<td>44.2-49.2% vol. bitter sweet drinks</td>
</tr>
<tr>
<td>22.8020 - 22.08.90</td>
<td>strong drinks (including cognac and</td>
</tr>
</tbody>
</table>
brandy)
190
grape wines or grape marc
22.08 90 310
22.08 90 390
(except liqueurs)
22.08 90 510
22.08 90 790
90 910
90 990
10 000

etc.
20 000
substitutes
10 000
in any

without)
24.03 99 100
42.03 10 000
10 900
10 900
71.13- 71.14
50 000
85.20
audio equipment with or

playback devices
10 310
equipment with

installed TV camera, etc.
20
guns, including

shotgun-rifles
93.03 30
target rifles, etc.
94.01
sitting (except those

Item 94.02) convertible or not
94.03 10

made by distilling
plum, pear or cherry vodka

other strong drinks and liqueurs
unmethylated ethyl alcohol with
at least 80% vol.
cigars (including cut-end cigars),
cigarillos,
cigarettes with tobacco or
thereof
smoking tobacco (with substitutes

proportion or

chewing tobacco, snuff
natural leather garments only
mink garments only
nutria, silver fox garments only
jewelry
microwave ovens
tape recorders, other

without

video recording and playback
or without

sports, hunting, and target

sports, hunting, and

pieces of furniture for

indicated in

office furniture

Ryabokon,
First Deputy Minister,
Cabinet of Ministers of Ukraine