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Dear readers!

Here is the new issue of the Information Bulletin "Trade Facilitation in Ukraine Monitoring," a product of the Institute for Economic Research and Policy Consulting, published with the support of the European Union, International Renaissance Foundation, and ATLAS Network within the project "Support to the Civil Society Initiative "For Fair and Transparent Customs." We strive to provide you with the latest and most up-to-date information on the state of customs reform implementation and the implementation of measures to facilitate international trade in Ukraine. Therefore, send your opinion, feedback, and wishes regarding communication links and methods of providing information to: customs@ier.kyiv.ua

Content

INTRODUCTION **4**

Regulatory legal acts that entered into force 4

The government has improved the conditions for granting authorization to obtain customs simplifications and AEO status..... 5

Changes have been made to the list of grounds allowing inspection of goods and commercial vehicles 6

Draft laws **7**

It is proposed to improve border control..... 7

It is proposed to extend the preferential regime for the import of electric generators and other related goods..... 8

It is proposed to establish a zero rate of import duty on acetic acid..... 8

News **9**

The government has improved the border crossing procedure for truck and bus drivers..... 9

It was agreed on the organization of joint Ukrainian-Moldovan control at the checkpoint for the railway connection "Kuchurgan-Novosavytske"..... 9

LLC "Schreder" received the status of AEO..... 9

The State Customs Service has published a new structure of the electronic transit declaration..... 10



The government has improved the conditions for granting authorization to obtain customs simplifications and AEO status

Resolution of the Cabinet of Ministers of Ukraine dated September 22, 2023 No. 1014 "On Amending the Resolution of the Cabinet of Ministers of Ukraine dated September 27, 2022 No. 1092"

The government has changed the provisions of the Customs Code of Ukraine, which regulate the issue of providing transit simplifications. In particular, changes have been made to:

- application forms for granting authorization of AEO (authorized economic operator), for granting authorization for the application of simplification, and for granting authorization for the application of transit simplification - in terms of clarifying and specifying their separate provisions;
- forms of the self-assessment questionnaire - in terms of making technical changes and clarifying the explanations regarding filling out the self-assessment questionnaire;
- authorization forms for the use of certain types of simplifications/transit simplifications;
- procedures for assessment (re-assessment) of the enterprise's compliance with the criteria and/or conditions of authorization by the customs authorities and planning and monitoring by the customs authorities of the enterprise's compliance with the criteria and/or conditions of the authorization in terms of assessment of indicators (coefficients) of solvency (financial stability) and liquidity of the enterprise.

For example, in case of non-compliance with the basic limit values of the calculated indicators of enterprise solvency and liquidity, additional calculated indicators will be taken into account. In order to take additional indicators into account, it is necessary to score from 7 to 13 points, depending on the type of authorization, in each analyzed period, in which a discrepancy between the calculated indicators of enterprise solvency and liquidity is recorded.

However, these conditions do not apply to the authorization of AEO during the period of martial law and within one year from the date of its termination or cancellation.

Also, the requirements for archiving account records, documents, and information regarding the conduct of the enterprise's economic activities have been changed. From now on, the requirement to have an archiving procedure applies exclusively to the storage of paper copies of the documents mentioned above.

These changes improve the procedures for granting customs simplifications to enterprises.

Source: http://surl.li/mlvwv



Changes have been made to the procedure for implementing phytosanitary measures and procedures under martial law

Resolution of the Cabinet of Ministers of Ukraine dated September 22, 2023 No. 1013 "On Amending the Resolution of the Cabinet of Ministers of Ukraine dated April 1, 2022 No. 398"

The government has made changes to the regime of phytosanitary measures and procedures under martial law.

In particular, it was established that

- during the martial law, territorial bodies of the State Service of Ukraine on Food Safety and Consumer Protection exercise their powers according to the principle of extraterritoriality. A person will have the right to apply to any territorial body of the State Service on Food Safety and Consumer Protection or to any phytosanitary laboratory included in the List of Phytosanitary Laboratories;
- phytosanitary procedures are not carried out in the territories included in the list of territories where hostilities are (were) being conducted or temporarily occupied by the Russian Federation, approved by the Ministry of Reintegration of Temporarily Occupied Territories, and for which the date of the end of hostilities or the date of termination of the possibility of hostilities or completion of temporary occupation has not been determined;
- documents for the implementation of phytosanitary measures and procedures of the plant quarantine are submitted by a person in electronic or paper form by applying to the state phytosanitary inspector responsible for a certain service area;
- decontamination, including fumigation, of cargoes with regulated objects that are exported may, in certain cases, be carried out outside the customs territory of Ukraine;
- control over decontamination, including fumigation, is carried out by the state phytosanitary inspector exclusively by conducting a documentary check of the decontamination act (fumigation certificate).

Certain features of the implementation of phytosanitary measures and procedures for the period of martial law and within 90 days from the day of its termination or cancellation are also specified. In addition, the decree changed certain tariffs for the implementation of the relevant procedures, determined the specifics of the implementation of the relevant procedures during the period of martial law, etc.

The changes were made to optimize the implementation of phytosanitary measures and procedures under martial law.

Source: http://surl.li/mlvzd

Changes have been made to the list of grounds allowing inspection of goods and commercial vehicles

Resolution of the Cabinet of Ministers of Ukraine dated September 19, 2023, No. 1008 "On Amending the Resolution of the Cabinet of Ministers of Ukraine of May 23, 2012 No. 467"

The government changed to the comprehensive list of grounds for which customs authorities of Ukraine may conduct an inspection (re-inspection) of goods and commercial vehicles.

In fact, the resolution removed such ground as the mandate of law enforcement agencies, which previously allowed customs authorities to conduct inspections of commercial cargo. That is, if, previously, the customs authorities had no questions about the cargo, but there were instructions from the law enforcement officers to inspect this cargo, the customs officials had to take appropriate measures. Currently, the possibility of providing such orders by law enforcement agencies has been canceled.

For this purpose, the resolution recognizes the following as having lost their validity:

- Resolution of the Cabinet of Ministers of Ukraine dated October 2, 2019, No. 861 "On implementing an experimental project on the organization of centralized sending by law enforcement agencies in electronic form of orders for customs inspection (re-inspection) of goods, commercial vehicles";
- Resolution of the Cabinet of Ministers of Ukraine dated December 27, 2019, No. 1118: "Some issues of implementing an experimental project on the organization of centralized sending by law enforcement agencies in electronic form of orders for customs inspection (re-inspection) of goods, commercial vehicles."

Clause 14 of the Government Resolution No. 467 of 05/23/2012 and the corresponding appendix, which allowed the receipt of written instructions from law enforcement agencies as part of criminal proceedings for inspection (re-inspection) of goods and commercial vehicles by customs authorities, are also excluded. In fact, law enforcement officers are deprived of the right to initiate an inspection (re-inspection) of goods and commercial vehicles by customs authorities.

Also, technical changes were made to the text of the resolution in the part of the name of the customs authorities.

Source: http://surl.li/mlwbr





It is proposed to improve border control

Draft Law of Ukraine (registration number 10129) "On Amending the Customs Code of Ukraine and some other laws of Ukraine on improving legislation on border control"

Registration date: October 6, 2023

Initiator: Members of Parliament of Ukraine

The draft law was developed in order to implement the recommendations given to the administration of the State Border Service of Ukraine, based on the results of the implementation of the European Union project "EU Support in Strengthening Integrated Border Management in Ukraine (EU4IBM)" and in accordance with the Strategy of Integrated Border Management for the period until 2025.

The draft law proposes making the following changes:

in the Customs Code of Ukraine

- establishing the possibility of exchanging information with the single state information web portal "One Window for International Trade";
- inspection of sea vessels together with a representative of the State Border Service;
- establishing exceptions regarding customs clearance of ships, boats and vessel of the Maritime Guard of the State Border Service;
- of an additional ground for inspection of goods and commercial vehicles (possibility of initiating an inspection);
- in the Law of Ukraine "On Border Control"
- optimize control operations (simultaneous border and customs control and the ability of delegating some duplicative functions to one of the services);

in the Law of Ukraine "On the State Border Service of Ukraine" - regulation of access to information from the single state information web portal "One Window for International Trade".

The above changes are intended to increase the reliability of border and customs control, increase the efficiency of border and customs formalities, normalize the exemption from customs control of warships that protect the sovereign rights of Ukraine, and also increase the security component at the borders of Ukraine.

Source: http://surl.li/mlwln

It is proposed to extend the preferential regime for the import of electric generators and other related goods

Draft Law of Ukraine (registration number 10024) "On Amending Clause 9-21 of Chapter XXI of the Customs Code of Ukraine regarding the continuation of th preferential regime for the import of electrical generators and other related goods"

Draft Law of Ukraine (registration number 10025) "On Amending to Clause 87 of Subsection 2 of Chapter XX "Transitional Provisions" of the Tax Code of Ukraine regarding the extension of the preferential regime for the import of electric generators and other related goods"

Registration date: September 8, 2023

Initiator: Members of Parliament of Ukraine

Taking into account the expected difficult winter, the draft laws propose to extend the preferential import of electrical generators and other related goods into Ukraine until May 1, 2024, by amending the Customs and Tax Codes of Ukraine. Prior to that, preferential import of the specified products was valid until May 1, 2023.

Source: http://surl.li/mlwki

It is proposed to establish a zero rate of import duty on acetic acid

Draft Law of Ukraine (registration number 10073) "On Amending to the Customs Tariff of Ukraine, established by the Law of Ukraine "On the Customs Tariff of Ukraine" regarding the change in the rate of duty on acetic acid"

Registration date: September 19, 2023

Initiator: Members of Parliament of Ukraine

The customs tariff of Ukraine establishes a duty on acetic acid (code 2915 21 00 00 UCG FEA) in the amount of 5.5% of the customs value.

The leading producer of acetic acid in Ukraine was PrJSC «Severodonetsk Azot Association» whose capacity exceeded the needs of the domestic market. However, as a result of the hostilities, the plant ceased its activities at the end of February 2022.

To support the domestic producer it is proposed to establish a zero rate of import duty on acetic acid (UCG FEA code 2915 21 00 00), which is a raw material for the production of ethyl acetate.

According to the data provided in the explanatory note to the draft law, the estimated revenues to the budget from the payment of duty on acetic acid may amount to about 368.9 thousand US dollars (or 13.5 million UAH), which is expected to be compensated by taxation of the increase in income from economic activity Ukrainian producers.

Source: http://surl.li/mlwjc





The government has improved the border crossing procedure for truck and bus drivers

The Ministry of Development of Communities, Territories, and Infrastructure has initiated changes to the rules for crossing the state border for drivers of cargo and passenger transport making long trips. Now, carriers will be able to register trucks with up to two drivers and buses with up to three drivers for one trip. The corresponding decision was made during the Government meeting.

Previously, the rules for crossing the state border under martial law provided that only one driver could leave the country with one truck. For buses, this number was a maximum of two drivers.

At the same time, there are mandatory international requirements that determine the required number of drivers depending on the length and mileage of the route. It is not only about the driver's need for rest and compliance with labor standards but also about the safety of the driver and passengers.

If such norms are violated, then this is the basis for a fine by the regulatory authorities both in Ukraine and abroad.

Source: http://surl.li/mlwog

It was agreed on the organization of joint Ukrainian-Moldovan control at the checkpoint for the railway connection "Kuchurgan-Novosavytske"

On October 13, 2023, a quadripartite meeting of representatives of the customs and border authorities of Ukraine and the Republic of Moldova was held, as part of which an interdepartmental Protocol was signed on the organization of joint control at the checkpoint for the "Kuchurgan-Novosavytske" railway connection on the territory of Ukraine.

Expanding the joint control practice on the Ukrainian-Moldovan border is an important element of integrated border management, which is based on the best European practices and is one of the measures that increase the efficiency of procedures when crossing the state border.

Source: http://surl.li/mlwow

LLC "Schreder" received the status of AEO

According to the State Customs Service, LLC "Schreder" became the eighth company to receive the status of Authorized Economic Operator (AEO). The company already had valid authorizations for the application of transit simplifications in accordance with the Convention on the common transit procedure, so the consideration of the application for granting the AEO authorization took place in the shortest possible time.

Source: http://surl.li/mlwpc

The State Customs Service has published a new structure of the electronic transit declaration

The State Customs Service reported that on November 1, 2023, users of the common transit procedure will fill out a new T1 electronic transit declaration. It will correspond to the next stage of development of the transit system - NCTS Phase 5, to which all member countries of the Convention on the common transit procedure are moving.

To help navigate the structure of the new declaration and its features, the State Customs Service publishes the relevant infographic - https://bit.ly/46bQtvf

The structure of the new transit declaration provides for the entry of information on the so-called four levels. Information about goods is entered with reference to transport documents at different levels, which is relevant when moving consolidated cargo.

The maximum number of goods that can be declared in one NCTS Phase 5 transit declaration has been increased from 999 to about 99,000.

For more information on the new structure of the T1 declaration, see the explanations for filling out the NCTS Phase 5 transit declaration - https://bit.ly/48d1VIV

Source: http://surl.li/mlwqj

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The publication consists of three parts:

regulatory legal acts that entered into force;

draft laws;

news.

We understand that small and medium-sized businesses do not have enough time to analyze new legislation or possible regulatory innovations. Also, a significant number of such acts are difficult for the average person to understand. "Trade Facilitation Monitoring in Ukraine" is designed to draw attention to interesting events and innovations in Ukrainian legislation related to the trade procedures simplification that may directly affect foreign economic activity actors. In these publications, we will also analyze draft regulations on this issue.

The Institute for Economic Research and Policy Consulting (IER) is an internationally recognized independent Ukrainian think tank founded in 1999.

IER analyzes economic development problems, international trade, and business climate (particularly in the SME sector) and participates in developing policy documents at the national and regional levels.

The IER regularly issues its macroeconomic forecast for Ukraine and participates in developing the consensus forecast of the Ministry of Economic Development and Trade of Ukraine.

The IER sociologists' team conducts regular surveys of enterprises and experts to assess the business climate and expectations of Ukrainian business. IER successfully combines its analytical activities with advocacy for change and participation in the public life of Ukraine. IER cooperates with central and local authorities, national and foreign think tanks, and civil society organizations.

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