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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.

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

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REGULATORY LEGAL ACTS THAT ENTERED INTO FORCE



Information on the Termination of Certain International Treaties, Including in the Customs Sphere

Notice of the Ministry of Justice of Ukraine “Information on the Termination of International Treaties”

The Government continues to review international treaties concluded with the aggressor state, analyzing their compliance with current legislation and Ukraine’s national interests. This process includes the revision, suspension, and denunciation of treaties concluded with the Russian Federation. The objective is to terminate legal ties with the aggressor state and eliminate any legal grounds for its continued influence over Ukraine.

The Ministry of Justice published information about interdepartmental agreements in the customs sphere that will cease to be in force:

- Memorandum of Understanding between the State Customs Service of Ukraine and the Federal Customs Service (Russian Federation) on Joint Customs Control at Border Crossing Points along the Ukrainian-Russian State Border of 27 October 2010, which will cease to be in force on 6 April 2026.
- Protocol between the State Customs Service of Ukraine and the Federal Customs Service (Russian Federation) on Mutual Recognition of Certain Results of Customs Control of Goods and Vehicles Crossing the Ukrainian-Russian State Border of 18 October 2011, which will cease to be in force on 6 November 2025.
- Protocol between the State Customs Service of Ukraine and the Federal Customs Service on the Exchange of Preliminary Information on Goods and Vehicles Crossing the Customs Border of Ukraine and the Russian Federation of 11 November 2008, which will cease to be in force on 6 January 2026.
- Protocol between the State Customs Service of Ukraine and the State Customs Committee of the Russian Federation on the Exchange of Information on Goods and Vehicles Crossing the Customs Border of Ukraine and the Russian Federation of 5 June 2002, which will cease to be in force on 6 April 2026.
- Protocol between the State Customs Service of Ukraine and the State Customs Committee of the Republic of Belarus on the Implementation of the Agreement between the Cabinet of Ministers of Ukraine and the Government of the Republic of Belarus on Cooperation and Mutual Assistance in Customs Matters of 22 September 2000, which will cease to be in force on 9 October 2026.
- Protocol on Cooperation between the Ministry of Revenues and Duties of Ukraine and the State Customs Committee of the Republic of Belarus in the Field of Customs Statistics of Mutual Trade of 7 October 2013, which will cease to be in force on 9 March 2026.
- Protocol between the State Fiscal Service of Ukraine and the State Customs Committee of the Republic of Belarus on Cooperation in Combating Customs Offences Related to the Movement of Goods by Air Transport of

REGULATORY LEGAL ACTS THAT ENTERED INTO FORCE

28 June 2019, which will cease to be in force on 9 March 2026.

- Protocol between the State Customs Service of Ukraine and the State Customs Committee of the Republic of Belarus of 6 February 1998, which will cease to be in force on 9 November 2025.

These agreements are currently not in effect de facto, and their termination will align the current regulatory framework with the actual state of relations with the aggressor state and its ally.

Source: <https://salo.li/b15CEab>

Amendments to Tariff Schedules in Trade between Ukraine and the EU Enter into Force

On 29 October 2025, amendments to the tariff schedules governing mutual trade between Ukraine and the European Union entered into force.

According to Decision No. 3/2025 of 14 October 2025, adopted by the EU–Ukraine Association Committee in Trade Configuration on the reduction and elimination of import duties pursuant to Article 29(4) of the EU–Ukraine Association Agreement, the changes provide for the abolition or significant reduction of import duty rates and the expansion of tariff-rate quotas for Ukrainian goods exported to the EU.

In particular, the amendments foresee the elimination of certain tariffs on Ukrainian exports to the EU and the increase of quotas for specific agricultural and food products, such as:

Honey – from 6,000 tonnes to 35,000 tonnes,

Sugar – from 20,000 tonnes to 100,000 tonnes,

Poultry meat – from 90,000 tonnes to 120,000 tonnes,

Skimmed milk powder – from 5,000 tonnes to 15,400 tonnes,

Eggs – from 6,000 tonnes to 18,000 tonnes, and others.

A study conducted by Veronika Movchan, Research Director at the Institute for Economic Research and Policy Consulting (IER), and Riccardo Giucci, Managing Director of Berlin Economics, within the framework of the German Economic Team (GET) project, highlights the dual effect of the new trade regime.

Compared to the temporary Autonomous Trade Measures (ATMs), which provided largely duty-free access for Ukrainian goods to the EU market from June 2022 to June 2025, the new tariff-rate quotas will lead to a sharp decline in exports. Analysts estimate that Ukraine's exports to the EU will decrease by USD 1,144 million per year compared to 2024 levels. The main driver of this decline is the expected sharp drop in wheat exports, projected to fall by USD 894 million annually, accounting for four-fifths of the total decline in exports to the EU. Additional losses may also affect exports of sugar, barley, poultry meat, eggs, apple juice, and honey.

However, when compared with the previous tariff-rate quotas that were in place before June 2022 and reintroduced in June 2025, the new regime represents a significant liberalisation of trade.

Four tariff-rate quotas have been completely abolished, and 26 quotas have been expanded, with the most significant increases for honey, sugar, barley groats, and bran. This liberalisation could allow an additional USD 630 million per year in duty-free exports—an increase of 35% compared to the previous conditions—and could save up to USD 165 million annually in import duties.

These new tariff-rate quotas are permanent and thus influence long-term investment decisions, unlike the short-term nature of the ATMs.

More on the study: <https://salo.li/b1a2336>

Sources: <https://salo.li/143df8A> <https://salo.li/D102165>



Proposal to Terminate and Denounce Certain International Treaties Concluded with Russia, Belarus, and within the CIS Framework

Draft Law of Ukraine “On the Termination, Withdrawal, and Denunciation of Certain International Treaties of Ukraine Concluded by the Government of Ukraine with the Governments of the Russian Federation, the Republic of Belarus, and within the Framework of the Commonwealth of Independent States (CIS)”
Registration No.: 0353 of 24 October 2025

Initiator: Cabinet of Ministers of Ukraine

Given the ongoing armed aggression against Ukraine and the need to align the treaty and legal framework with the current realities of relations with Russia and its ally Belarus, as well as to terminate treaty obligations inconsistent with Ukraine’s national interests within the CIS framework, a corresponding draft law has been developed.

The draft law provides for the termination of the following international treaties concluded by the Government of Ukraine with the Governments of Russia and Belarus, including:

- The Agreement on Free Trade (Kyiv, 17 December 1992);
- The Agreement on the Promotion and Reciprocal Protection of Investments (Kyiv, 14 December 1995);
- The Protocol on Exclusions from the Free Trade Regime (Kyiv, 13 February 1998);
- The Agreement between the Cabinet of Ministers of Ukraine and the Government of the Russian Federation on the Movement of Goods in Cooperation in Space Exploration and the Creation and Operation of Rocket and Space Technology (Dnipro, 11 February 2001);
- The Protocol Amending the Free Trade Agreement between the Governments of Ukraine and Belarus (Minsk, 18 October 2005);
- The Agreement on the Protection of Technologies Related to Cooperation in the Peaceful Use of Outer Space and the Operation of Rocket and Space Equipment (Moscow, 11 June 2009).

The law also provides for Ukraine’s withdrawal from several international treaties concluded within the CIS framework.

The termination or denunciation of these treaties, which are no longer functioning de facto, will bring the legal framework into conformity with the actual state of relations with the aggressor state and its ally.

Source: <https://salo.li/07528a0>



Proposals to Improve Customs Duties Collection and Certain Customs Procedures for Goods Imported for Defence Needs

Draft Law of Ukraine “On Amendments to the Customs Code of Ukraine Regarding the Improvement of the Procedure for Collecting Customs Duties and Performing Certain Customs Formalities for Goods Imported into the Customs Territory of Ukraine for Defence and Defence Needs”

Registration No.: 14170 of 30 October 2025
Initiator: Member of Parliament of Ukraine

The main objective of the draft law is to expand exemptions from import duty for enterprises engaged in the development and production of defence products, including unmanned aerial vehicles (drones), mechanised demining machines, and technical counterintelligence systems.

Key objectives include:

- Establishing legal mechanisms for customs benefits during the modernization of drones, demining machines, and other defence products;
- Reducing modernization costs for such products;
- Regulating the change of the intended use of imported goods;
- Minimizing financial losses and preventing the freezing of defence companies’ working capital;
- Providing exemptions for goods rendered unusable or destroyed (due to production defects, accidents, or force majeure);
- Improving the supply of technical means to the security and defence forces.

The draft law proposes amendments to paragraph 9-27 of Section XXI “Final and Transitional Provisions” of the

Customs Code of Ukraine, including:

- Extending the definition of “production and repair” to include “modernization”;
- Updating reporting requirements for the number of produced, repaired, and modernized items;
- Recognizing the legitimate use of goods for the modernization of previously delivered systems;
- Allowing the destruction or loss of goods without penalties, subject to documentary proof;
- Granting the right to waive the intended use of goods without penalties if import duties are paid or the goods are re-exported.

These changes aim to simplify customs procedures for defence enterprises and ensure faster access to modern technologies and defence equipment.

Source:

<https://itd.rada.gov.ua/billinfo/Bills/Card/58603>





From 1 November 2025, the Common Transit Procedure (NCTS) Becomes Operational in Moldova and Montenegro

According to the decisions of the Directorate-General for Taxation and Customs Union (DG TAXUD) of the European Commission, as of 1 November 2025, the Republic of Moldova and Montenegro have become full members of the Convention on a Common Transit Procedure and the Convention on the Simplification of Formalities in Trade in Goods.

From this date, customs authorities of Moldova and Montenegro can act as departure and destination customs offices under the common transit procedure (NCTS).

Source: <https://salol.li/f903e7f>

Professional Standard “Customs Inspector” Approved

As part of the HR strategy, the State Customs Service of Ukraine continues to implement modern European practices for developing human resources. One of the key steps in this direction was the approval of the new professional standard “Customs Inspector.”

The standard establishes clear requirements for the knowledge, skills, and competencies necessary for customs officers to effectively perform their duties in line with best international standards, including the EU Customs Competency Framework and the World Customs Organization (WCO) standards.

The document was approved following a positive conclusion from the National Qualifications Agency (Decision No. 12 of 7 October 2025). The order of the State Customs Service officially enacts the new standard, which is now available in the National Qualifications Registry: <https://salol.li/68EF2f3>

Next steps include closer cooperation with universities training customs professionals and the gradual updating of educational programs to align with the new standard, fostering highly qualified customs staff for Ukraine’s European integration.

Source: <https://salol.li/d346Dc6>

"Trade Facilitation Monitoring in Ukraine" is a continuation of the issues of the Monthly Monitoring of Trade Facilitation in Ukraine, which has been prepared by the Institute for Economic Research and Policy Consulting since 2015 within the framework of the Trade Facilitation Dialogue project, with the financial support of the European Union and co-financing of the International Renaissance Foundation, as well as the project "Support to the Civil Society Initiative "For Fair and Transparent Customs", which was implemented with the support of the European Union, the International Renaissance Foundation and the ATLAS Network.

The proposed newsletter is a continuation of the previous ones and is published within the framework of the activities of the Institute for Economic Research and Policy Consulting. The publication consists of three parts (if relevant materials are available):

- Regulations that have entered into force
- Draft regulations
- 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 an average person to understand. "Monitoring of Trade Facilitation in Ukraine" is designed to draw attention to interesting events, innovations of Ukrainian legislation or planned changes related to the field of trade facilitation, in particular international trade, customs and customs issues, and can directly affect foreign economic entities. Also, in these publications, we will try to analyze draft regulations on this topic.

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

The IER is engaged in the analysis of problems of economic development, international trade and business climate (in particular in the SME sector), participates in the development of policy documents at the national and regional levels.

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

The IER team of sociologists conducts regular surveys of enterprises and experts in order 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. The IER cooperates with central and local authorities, domestic and foreign think tanks, and civil society organizations. The work of the IER is financed by grants, charitable contributions and technical assistance funds.

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