

Additional Import Duty Introduced

The Resolution of Cabinet of Ministers of Ukraine on the completion of negotiations with international financial organizations dated 16 February 2015 became effective on 25 February 2015.

Adoption and publication of this Resolution was necessary in order to give effect to the Law of Ukraine on measures of stabilization of the balance payments of Ukraine No.73-VIII dated 28 December 2014. This Law envisages a temporary (up to 12 months) accrual of the additional import duty.

Thus, starting from 25 February 2015 the additional import duty shall be paid when importing goods into the customs territory of Ukraine, irrespective of the country of origin of such goods and free trade agreements concluded with Ukraine.

The additional import duty will be charged at the following rates:

- 5% for goods classified as product groups 25-97 according to the Ukrainian Classification of Foreign Economic Activity Products;
- 10% for goods classified as product groups 1-24 according to the Ukrainian Classification of Foreign Economic Activity Products;
- 10% for goods that are subject to import duty under Article 374 of the Customs Code of Ukraine (goods that are imported/forwarded by citizens on the territory of Ukraine).

Vitally important goods, such as some sorts of oil, natural gas, coal, electricity, medical products for hemodialysis-dependent and cancer patients, are exempted from the additional import duty. The list of such medical products, which are exempted from the additional import duty, was approved by the Resolution of Cabinet of Ministers No.63 dated 16 February 2015.

Pharmaceutical products and compounds used for their production which are not produced in Ukraine are also exempted from the additional import duty. The relevant list of such pharmaceutical products and compounds was approved by the Resolution of Cabinet of Ministers No.1568 dated 17 November 2004.

Defense products, including drones, binoculars, thermal imagers, night vision devices, protective goggles, telescopic sights and other optical devices for military weapons, components of the military and special equipment, etc., are not subject to the additional import duty.

www.DLF.ua

It is worth mentioning that the tax base for goods imported into the customs territory of Ukraine is their contract price, which cannot be less than their customs price, specified by the provisions of the Customs code of Ukraine, inclusive of import duty and excise tax to be paid and included in the price of goods. Thus, when calculating VAT, the amounts of additional import duty shall be included into the tax base.