

THE LAW OF UKRAINE

No. 374-V of 17 November 2006

**On Amendment of some Laws of Ukraine (regarding license fees and the excise duty
on the manufacture of spirits, alcoholic beverages and tobacco prodcoho**

The license fee to import, export alcoholic beverages and tobacco products shall be UAH 780.

The annual license fee to engage in wholesale trade shall be:

- for trade in alcoholic beverages – UAH 500,000;
- for trade in tobacco products - UAH 500,000.

Licenses to import and export alcoholic beverages and tobacco products shall be issued for a term of 5 years by the executive body authorized by the Cabinet of Ministers of Ukraine.

Licenses to engage in retail trade in alcoholic beverages and tobacco products in trains, on board of sea or river vessels shall be issued by executive bodies authorized by the Cabinet of Ministers of Ukraine in cities, districts, districts in the cities of Kyiv and Sevastopol at the location where the train was formed (the home port of the vessel is).

The license shall be issued upon business subject's application, attached to which shall be a copy of the business subject's state registration certificate certified by a notary or by the body that issued the original document. To receive a license to engage in retail trade in alcoholic beverages, a statement of the tax service shall be attached confirming the registration of electronic cash registers (accounting books for settlement transactions) located at the trade outlet.

The application shall specify the business activity for the conduct of which the business subject intends to receive the license (import, export, wholesale and retail trade in alcoholic beverages or tobacco products).

The application for a license to engage in retail trade in alcoholic beverages shall additionally specify the list of electronic cash registers (accounting books for settlement transactions) located at the trade outlet as well as the address of the trade outlet.

The application for a license to engage in retail trade in tobacco products shall specify the address of the trade outlet.

In the annex to the license to engage in retail trade in alcoholic beverages, the business subject shall specify the address of the trade outlet and the list of electronic cash registers with information thereon: the model, modification, the construction number, the manufacturer, the date of manufacture; registration numbers of accounting books for settlement transactions located at the trade outlet.

It shall be prohibited to demand submitting other documents than those specified in this Law. One copy of each document specified in this Law shall be submitted; such copies shall be either notarized or certified by the body that issued the original document. The license application and the documents specified by this Law shall be filed by the applicant's authorized person or sent by registered mail. In case the license application and the documents attached thereto are filed personally, they shall be accepted based on the list, which copy shall be issued to the applicant with the mark confirming the date of accepting the application and the documents and the signature of the person who accepted them.

The license or a decision to refuse issuing the license shall be provided to the applicant within 10 calendar days after receiving the documents specified in this Law. The decision to refuse issuing the license shall indicate the ground for refusal.

The license shall be suspended if a regular license payment is late based on written instructions of the licensing body for the period until the debt is paid.

A license shall be considered as suspended from the moment the business subject receives the relevant written instructions of the licensing body; it shall be resumed from the moment the regular license payment is transferred to the budget.

The license shall be cancelled by the licensing body issuing relevant written instructions based on:

- business subject's application;
- the decision on cancelling the business subject's state registration;
- delaying a regular license payment for 30 calendar days from the moment of suspending the license;
- a court decision establishing the fact of business subject's illegitimately using excise duty stamps (with respect to importers);
- a court decision establishing the fact of business subject's selling alcoholic beverages or tobacco products without excise duty stamps;

a court decision establishing the fact of business subject's moving alcoholic beverages or tobacco products outside customs control.

The license shall be cancelled and considered invalid from the moment the business subject receives written instructions regarding its cancellation.

procedure, costs of the manufacture (processing, conditioning) of excisable products on tolling terms shall be paid. "

2. In the Law of Ukraine "On Excise Duty Rates on Ethyl Spirits and Alcoholic Beverages" (Bulletin of the Verkhovna Rada of Ukraine, 1996, No. 28, Article 131; 2003, No. 33-34, Article 267; 2005, No. 4, Article 91, No. 17-19, Article 267):

1) in Article 1, figures and words:

Code of goods in accordance with UCCFEA	Description of goods	Excise duty rates in UAH per unit of goods
"2207	Non-denatured ethyl spirits with the concentration of alcohol at least 80 per cent of the volume, ethyl spirits and other denatured spirits of any concentration	17 UAH for 1 liter 100-proof spirits
2208 (except 2208 20)	Non-denatured ethyl spirits with the concentration of alcohol less than 80 per cent of the volume, spirit infusions, liquors and other spirit beverages	17 UAH for 1 liter 100-proof spirits

2208 20

(except 2208 20 12 00,

2208 20 29 00 – only

brandy,

2208 20 89 00 – only

cognac for 1 liter 101.15 TD.0008 r(TDs1c-i08)TjT*0001 onacfornlumelumes sohol at least 80 per Rf shus

Description of goods

Excise duty rates in

UAH per unit of goods pro3708 5 517.42

2208 20 29 00	Only brandy	7 UAH for 1 liter 100-proof spirits
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2) Article 7 shall be worded as follows:

“To temporarily establish excise duty rates for the following goods for the period from 01.01.2007 to 01.07.2007:

Code of goods in accordance with UCCFEA	Description of goods	Excise duty rates in UAH per unit of goods
“2207	Non-denatured ethyl spirits with the concentration of alcohol at least 80 per cent of the volume, ethyl spirits and other denatured spirits of any concentration	18 UAH for 1 liter 100-proof spirits
2208 (except 2208 20)	Non-denatured ethyl spirits with the concentration of alcohol less than 80 per cent of the volume, spirit infusions, liquors and other spirit beverages	18 UAH for 1 liter 100-proof spirits
2208 20 (except 2208 20 12 00, 2208 20 29 00 – only brandy, 2208 20 89 00 – only cognac spirits)	Spirit beverages produced by distilling grape wine or husks of grapes	18 UAH for 1 liter 100-proof spirits
2208 20 12 00	Cognac	6.5 UAH for 1 liter 100-proof spirits
2208 20 29 00	Only brandy	6.5 UAH for 1 liter 100-proof spirits

3. In the Law of Ukraine “On Excise Duty Rates on Tobacco Products” (Bulletin of the Verkhovna Rada of Ukraine, 1996, No. 8, Article 32; 2005, No. 7-8, Article 162, No. 17-19, Article 267):

1) Article 1 shall be worded as follows:

Article 1. The following excise duty rates on tobacco products shall be established:

Code of goods (products) in accordance with UCCFEA	Description of goods (products) in accordance with UCCFEA	Excise duty rates in hard amounts per one unit of sold goods (products)	Excise duty rates as a percentage of the goods (products) sales turnover
2401	Tobacco raw materials. Tobacco waste	0	0
2402 10 00 00	Cigars including cigars with cut-off tips and cigarillos (slim cigars) containing tobacco	30 UAH for 1000 pieces	8
2402 20 90 10	Tobacco cigarettes without filter	5 UAH for 1000 pieces	10
2402 20 90 20	Tobacco filter cigarettes	13 UAH for 1000	10

ensure the review and cancellation by ministries and other central executive authorities of their normative acts contradicting this Law.