

The Customs Code of Ukraine

(SECTION 1 - SECTION IV)

As amended by laws of Ukraine
No.291-IV of November 28, 2002
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The Customs Code of Ukraine defines the foundation and implementation principles of customs practice in Ukraine, and regulates economic, organizational, legal, personnel and social aspects of the activities of the customs service of Ukraine. The Code aims to secure the protection of Ukraine's economic interests, to create favorable conditions for the development of its economy, to protect the rights and interests of subjects of entrepreneurial activity and citizens, as well as to ensure related legislation.

SECTION 1

GENERAL PROVISIONS

Chapter 1. THE FOUNDATIONS OF CUSTOMS PRACTICE

5) declarant – a legal entity or a natural person, who declares goods or vehicles which are crossing the

29) enterprise – any legal entity or any citizen carrying out entrepreneurial activity without establishing a legal entity;

30) enterprise officials – managerial staff and personnel of enterprises, residents and non-residents, who in

movement through the customs border of Ukraine, or who is authorized to dispose of the goods and vehicles in another manner.

Article 2. Customs Policy

Customs policy is the system of principles and directions of the state's activities in the field of safeguarding its economic interests and safety with the help of customs-tariff and non-tariff measures of foreign trade regulation.

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8) implement, in cooperation with other authorized state power bodies, the measures aimed at securing the interest of goods consumers, and at ensuring that participants in foreign economic relations adhere to the state interests on the external market;

9) create favorable conditions for speeding up the goods turnover and flow of passengers through the customs border of Ukraine;

10) fight against contraband and violations of customs rules;

11) develop international cooperation in the area of customs practice;

12) compile customs statistics;

13) maintain the Ukrainian Classification of Commodities of Foreign Economic Activity;

14) verify (ascertain the authenticity of) certificates of origin of goods from Ukraine.

State power bodies, the President of Ukraine within his authorities defined by the Constitution of Ukraine and laws of Ukraine shall run the customs practice and control activities of customs authorities of Ukraine.

Article 12. Customs Service of Ukraine

Customs service of Ukraine is the integral national system consisting of customs authorities and specialized customs institutions and organizations.

Customs authorities are: specially authorized central body of executive power in the area of customs practice, regional customhouses and customhouses.

Article 13. Specially Authorized Central Body of Executive Power in the Area of Customs Practice

The specially authorized central body of executive power in the area of customs practice can be created, re-organized and liquidated by the President of Ukraine on proposal of the Prime Minister of Ukraine.

The specially authorized central body of executive power in the area of customs practice directs, coordinates, and controls the activities of customs authorities, specialized customs institutions and organizations in implementing the laws of Ukraine on customs practice, and within its authority issues orders, and organizes and controls compliance therewith.

The specially authorized central body of executive power in the area of the customs practice is a legal entity and it acts in accordance with the Constitution of Ukraine, this Code, laws of Ukraine and other normative legal acts .

The following bodies are subordinated to the specially authorized central body of executive power: regional customhouses, customhouses, specialized customs institutions and organizations.

The specially authorized central body of executive power in the area of customs practice is headed by a chairman, who is appointed and relieved of his appointment by the President of Ukraine in accordance with the procedure set forth by the Constitution of Ukraine.

Article 14. Regional Customhouse

A regional customhouse is a customs authority that within the territory of the fixed to it region conducts customs practice and ensures comprehensive compliance with the laws of Ukraine on customs practice, and supervises and co-ordinates the activities of customhouses and specialized customs organizations and bodies/institutions subordinated to it.

A regional customhouse is a legal entity and conducts its activities in accordance with the legislation of Ukraine and the Regulations approved by the order of the specially authorized central body of executive power on customs practice.

The regional customhouses are established, reorganized and liquidated by the specially authorized central body of executive power on customs practice.

The head of a regional customhouse is appointed and removed by the head of the specially authorized central body of executive power on customs practice.

Article 15. Customhouse

Customhouse is the customs authority directly responsible for implementing legislation on issues of customs practice, collection of taxes and fees and execution.2(e)-.1(g6(s)-5and f.8(.2(e)-.1(gi88i-6(o6c .0034 Tsign.3(c

A Standard Regulation on customs posts is approved by the order of the specially authorized central body of executive power on customs practice.

The customs posts are established, reorganized and liquidated by the specially authorized central body of executive power on customs practice at the request of a regional customhouse or customhouse. The head of a customs post is appointed and dismissed by the head of the specially authorized central body of executive power on customs practice.

Article 17. Specialized Customs Institutions and Organizations

Within budget funds prescribed for maintaining customs service of Ukraine and exclusively with the aim of ensuring execution of the tasks delegated to the customs bodies, according to this Code and laws of Ukraine, the following types of institutions and organizations may be created within the customs service of Ukraine: operational, transport, information-analytical, cynology [dog-training] specialized establishments and educational organizations.

The specialized customs bodies and organizations are established, reorganized and liquidated by the specially authorized central body of executive power on customs practice, as it is determined by this Code and laws of Ukraine.

Article 18. Customs Laboratories

Within the customs system of Ukraine the Central Customs Laboratory is created, with the status of a specialized customs body, and customs laboratories, as structural sub-units of regional customhouses and customhouses.

The Central Customs Laboratory is in charge of scientific and methodological activities of the customs laboratories.

The Central Customs Laboratory and customs laboratories are granted the right to conduct exper

Personnel of the Customs Guard may be equipped with arms and special devices, transport, radio and phone communication, also with other equipment according to this Code, laws and other normative legal acts.

Article 21. Tasks of the Customs Guard

The tasks of the customs guard are the following:

1. take measures regarding detection, disclosing, prevention, combating and precaution of violation of customs rules;
- 2) secure buildings, constructions, premises of the customs bodies and other objects of the customs infrastructure, zones of customs control from any illicit encroachment;
- 3) physical protection of the personnel of customs bodies, other persons, goods, who/which are in the zone of customs control, from illicit actions;
- 4) localization along with other bodies of conflict situations in the zones of customs control;
- 5) participation in elimination of the consequences of catastrophes, damages, acts of God and ecological pollution in the zone of customs control.

Article 22. Rights of the Customs Guard

In order to properly fulfill their tasks, as it is prescribed in the Article 21 of this Code, customs guard has the right to:

1. install temporary posts, move upon any land and water sectors within the customs territory of Ukraine, but within controlled border area – upon approval of the respective border guards body of Ukraine;
2. stop and examine according to the provisions of this Code goods, vehicles and citizens, crossing the customs border of Ukraine in the border-crossing points;
3. conduct, as prescribed by this Code, examination and re-examination of after customs clearance by customs authorities goods and vehicles including those transiting the territory of Ukraine upon decision of the head of the specially authorized central body of executive power on customs practice, his deputies, head of the regional customhouse (customhouse);
4. escort and secure goods under customs control including those transiting the territory of Ukraine;
5. ask people to visit customs offices in order to find out the circumstances of the violations of customs rules. In urgent cases they have the right to clarify the circumstances of the violations of customs rules in other places suitable for that purpose, as well as to carry out primary documentation of such facts.

Article 23. Allocation of the Customs Guard

Customs guard is located, as a rule, in the places where regional customhouses are located.

Upon the decision of the head of the specially authorized central body of the executive power on customs practice personnel, transport, arms and special devices of the customs guard in cases of operational necessity may be temporarily relocated to other regions of Ukraine out of the place of the permanent location.

Article 24. Property, Financing and Material-Technical Support for Customs Authorities, and Specialized Customs Institutions and Organizations

Article 28. Collaboration of the Customs Authorities with Executive Power Bodies and the National Bank of Ukraine

Customs authorities collaborate with executive power bodies with competency limited by this Code, laws of Ukraine.

The specially authorized central body of executive power on customs practice report to the Ministry of Finance of Ukraine on taking funds to the State Budget of Ukraine resulting from collection of taxes and fees levied by the customs authorities empowered thereto pursuant to legislation.

Customs authorities inform the National Bank of Ukraine and corresponding financial institutions of Ukraine on funds transferred by them to the State Budget of Ukraine.

The Constitution of Ukraine, this Code and other laws of Ukraine differentiate authorities and functional responsibility between the specially authorized central body of executive power on customs practice and other authorities of the executive power of Ukraine in collecting taxes, fees and other mandatory payments.

Article 29. The Relationship between Customs Authorities, Specialized Customs Institutions and Organizations with Local State Administrations and Local Self-Government Bodies.

Local state administrations and local self-government bodies support the activities of customs authorities, and specialized customs institutions and organizations, and collaborate with them within competency prescribed by the laws.

Article 33. Responsibility for Inaccurate Information

Officials of customs authorities, and specialized customs institutions and organizations shall bear responsibility for provision of inaccurate information as determined by law.

CHAPTER 5. INTERNATIONAL COOPERATION ON MATTERS OF CUSTOMS PRACTICE

Article 34. Ukraine's Participation in International Cooperation on Matters of Customs Practice

Ukraine participates in international cooperation on the matters of customs practice.

In customs practice Ukraine adheres to generally accepted (in international practice) systems of classification and coding of goods, customs regimes, customs statistics, and other generally accepted international norms and standards on matters of customs practice. Ukraine also ensures the implementation of international agreements on matters of customs practice, to which it is a signatory.

Article 35. Principles of International Activities of the Specially Authorized Central Body of Executive Power in Customs Matters

The international activity of the specially authorized central body of executive power on customs practice is headed and coordinated by the President of Ukraine and the Cabinet of Ministers of Ukraine.

Negotiations and consultations, related to the drafting of inter-state, inter-governmental, and inter-departmental agreements on matters of customs practice, may be conducted by the specially authorized central body of executive power on customs practice as entrusted by the President of Ukraine, the Cabinet of Ministers of Ukraine within the competency determined in accordance with law.

Article 36. Relations of the Specially Authorized Central Body of Executive Power on Customs Practice with International Customs Organizations

The specially authorized central body of executive power on customs practice represents Ukraine in the World Customs Organization and other international customs organizations.

International collaboration in the area of customs practice is conducted by the specially authorized central body of executive power on customs practice in coordination with the Ministry of Foreign Affairs of Ukraine.

Article 37. International Collaboration in the Area of Customs Practice

In accordance with international agreements concluded in accordance with the procedure established by law, the customs authorities of Ukraine along with customs authorities of the neighboring countries may conduct the following:

1) creation of the joint crossing points at the customs border of Ukraine;

1. (exercise) joint control at crossing points at the customs border of Ukraine;
2. coordinated application of customs control procedures and customs clearance, mutual recognition of documents used by customs authorities in customs procedures;
3. conduct of joint activities aimed at prevention, identification and termination of contraband and violations of customs rules;
4. conduct of other joint one-time or permanent activities on matters, which in accordance with this Code and other legislative acts of Ukraine are within the competency of the customs authorities of Ukraine.

Article 38. Ensuring Operative Communication between the Customs Authorities of Ukraine and
Customs Authorities of Foreign Neighbor Countries

With a view of resolving the urgent issues related to the entry of goods and vehicles, identification and termination of contraband and violations of customs rules, and ensuring the law and order at Ukraine's customs border crossing points, the chief executives of the regional customhouses and customhouses and their deputies are permitted to hold working meetings with representatives of customs authorities of the foreign neighbor countries.

- 3) recording goods and vehicles, which are crossing the customs border of Ukraine;
- 4) oral polling of citizens and company officials;
- 5) review of reporting and recording documents for goods crossing the customs border of Ukraine, and timeliness, reliability, completeness of calculation and payment of taxes and fees levied in accordance with laws during movement of goods through the customs border of Ukraine;
- 6) inspection of territories and sites of temporary warehouses, licensed customs warehouses, special customs zones, duty-free stores and other places, where goods and vehicles subject to customs control may be placed, or where activities subject to control by customs authorities are taking place;
- 7) in other ways determined by this Code and other laws of Ukraine on customs practice.

The procedure for customs control is determined by the Cabinet of Ministers of Ukraine in accordance with this Code.

Article 42. Differentiated Approach in Customs Control

Goods, which are crossing the customs border of Ukraine, as well as their package and markings, means of transportation of these goods across the customs border, as well as documents for these goods and means of transportation, are presented for control by customs authorities in an unaltered condition at the border crossing points of Ukraine and in other places designated by the customs authorities for implementation of customs control and clearance, no later than three hours after arrival of such goods and means of transportation to the entry point or other place.

The term set out in the first part of this article may be prolonged in order and under the conditions determined by the Cabinet of Ministers of Ukraine.

Article 45. Documents and Information Required for Implementation of Customs Control

Persons transporting goods and vehicles across the customs border of Ukraine or who conduct activities, which are controlled, in accordance with this Code, by the customs authorities, are obliged to provide these authorities with documents and information required for customs control implementation.

The list of documents and information needed for customs control implementation and the order of submission thereof are determined by the Cabinet of Ministers of Ukraine in accordance with this Code.

Other law enforcement bodies of Ukraine, financial institutions, tax agencies and other control bodies of Ukraine provide the customs authorities, at the latter's request, with available information required for customs control implementation.

Article 46. Access of Customs Officials to the Territories or Facilities of Enterprises for the Purposes of Implementing Customs Control

With a view of implementing customs control, within the competence allowed by this Code and other laws of Ukraine, the customs officials have the right to unimpeded access to the territory or facilities of any enterprise of any form of ownership and subordination, wherein the goods subject to customs control are located or may be located.

Article 47. Joint Customs Control on the Customs Border of Ukraine

On the basis of international treaties of Ukraine concluded in accordance with the procedure established by law, customs control may be conducted jointly with the customs authorities of neighboring states at the customs border of Ukraine.

CHAPTER 7. ZONES OF CUSTOMS CONTROL

Article 48. Location of Zones of Customs Control

With the aim of ensuring the implementation of customs control of goods and vehicles crossing the customs border of Ukraine, as well the conduct of activities related to identification, prevention and termination of contraband and violations of customs rules, zones of customs control are created at the

Zones of customs control located within the bounds of the state border crossing points are created in cooperation with the State Committee on Protection of the State Border of Ukraine.

Zones of customs control located within the bounds of the state border crossing points are created by the specially authorized central body of executive power on customs practice in co-ordination with the specially authorized central body of executive power in state border protection matters and specially authorized central body of executive power in transport matters.

Article 50. Building of Constructions and Other Objects in Zones of Customs Control

In zones of customs control, created at the customs border crossing points of Ukraine, buildings and other objects of infrastructure belonging to other authorities empowered to conduct the types of control listed in Article 25 of this Code, are located with the permission of the specially authorized central body of executive power in customs matters in co-operation with the specially authorized central body of the executive power in state border protection matters, and specially authorized central body of executive power in transport matters. The procedure for issuance of such permits is determined by the Cabinet of Ministers of Ukraine.

Article 51. Regimes in the Zones of Customs Control. Ensuring Legality and Order in Zones of Customs Control

Regime in a zone of customs control is the set of norms determined by this Code and other legislative acts on customs practice, which includes prescriptions, prohibitions and limitations as to the terms of stay of goods, vehicles and citizens; conditions for location of buildings and constructions, as well as the conduct of economic activities in the zone of customs control.

Ensuring the safety of citizens, as well as the protection of goods, which are crossing the customs border of Ukraine, and compliance with the regime, legality and order in the zone of customs control are delegated to the relevant customs authorities.

Article 52. Economic Activity in the Zone of Customs Control, Movement of Citizens, Goods and Vehicles through the Zone of Customs Control

Economic activity within the zone of customs control, and the movement of goods, vehicles, and citizens (including state power officials) which/who are not crossing the state border, through the zone of customs control and within the bounds of the said zone are allowed only by permission of the head or deputy head of the relevant customs authority and upon approval of the Border Troops of Ukraine and under the supervision of official persons of this authority, with the exception of cases foreseen by the laws of Ukraine.

CHAPTER 8. IMPLEMENTATION OF CUSTOMS CONTROL

Article 52. Rights of Customs Authorities in Implementing Customs Control

Customs authorities acting within the bounds of their authority according to this Code have the right to use force with regard to violators of the customs control regime.

Customs authorities have the right to use force to stop and turn back into the zones of customs control the vehicles or citizens who have entered into the customs territory of Ukraine from the zones of customs control without permission, as well as sea and river boats, which have exited zones of customs control without permission of customs authorities and left the customs territory of Ukraine, and are not in the territorial waters of other states.

The list of types of force that may be applied, as well as the order of their application, is determined by this Code and other laws of Ukraine.

Article 54. Submission of Documents and Information Required for the Implementation of Customs Control

Documents required for the implementation of customs control are submitted to the customs authorities:

- 1) upon crossing by the goods and vehicles of the customs border of Ukraine;
- 2) upon declaration of goods and vehicles;
- 3) upon notification of the customs authorities of the intent to move goods and vehicles across the customs border of Ukraine;
- 4) upon implementation of other supervisory functions by the customs authorities in accordance with this Code.

Article 55. Examination and Re-examination of Goods and Vehicles

Customs authorities, with the aim of checking the legality of crossing of the customs border of Ukraine by goods, vehicles, have the right to inspect these goods and vehicles.

Re-examination of such goods and vehicles may take place by decision of the head of the customs authority or his deputy, if there are grounds to believe that the goods and vehicles in question are being moved across the customs border of Ukraine in violation of this Code and other laws of Ukraine on customs practice.

Examination and re-examin3 TDeinr5icles

4) in cases where hand baggage or luggage are left on the territory of Ukraine in defiance of a commitment to transit them through the territory of Ukraine.

Examination and re-examination of hand baggage and luggage in the absence of a citizen or his authorized representative take place in the presence of representatives of the carrying (transmitting) or storing enterprise.

A report is compiled on each examination or re-examination in cases mentioned in clauses 1 and 2 of part four of this article. The specially authorized central body of executive power on customs practice determines the form for this report.

Article 57. Personal Inspection

An inspection of the person may take place as an extraordinary measure, provided there is a written permission of the head of the customs authority or his deputy, if there are sufficient grounds to believe that a citizen who is crossing the customs border of Ukraine or is in the zone of customs control or in a transit zone of an international airport, is concealing contraband goods or goods, which directly violate the customs rules or whose importation, exportation or transit through Ukraine is forbidden.

An inspection of the person at a customs post may be conducted, provided there is a written decision of the head of the post or his deputy, with a mandatory notification within 24 hours of the head of the customs authority as to the basis for and the results of such an inspection.

Prior to the beginning of an inspection, the customs official must present to the citizen a written decision of the head of the customs authority, head of the customs post or his deputy, and furthermore the official must inform the citizen of his rights during such inspection and propose that the citizen show the concealed goods voluntary.

Personal inspection takes place in the isolated premises, which meets sanitary and hygienic standards. It is conducted by a customs official of the same sex as the inspected citizen, in the presence of not less than two witnesses of the same sex. Persons, who are not interested in the results of the inspection, are invited to be witnesses. Relatives of the inspected person may not be witnesses, nor may the customs officials. Access to the premises where the inspection is taking place by citizens not participating in it, as well as the opportunity to observe the inspection by such citizens are forbidden.

Record of the goods and vehicles moving through the customs border of Ukraine is the registration of the given goods and vehicles by customs authorities with the goal of implementing customs control.

The record of goods crossing the customs border of Ukraine via pipelines and power lines is carried out by means of the appropriate instruments.

The specially authorized central body of executive power on customs practice sets the forms of documents used for the record of goods and vehicles crossing the customs border of Ukraine.

Article 59. Verbal Questioning of a Citizen or Enterprise Officials

With the aim to implement customs control, customs officials may verbally question people and enterprise officials.

Verbal questioning of the citizens and enterprises' officials is the receiving by customs authorities of information important for customs control from persons having such information.

During the verbal questioning, a protocol is prepared. Its form is determined by the specially authorized central body of executive power on customs practice.

Article 60. Review of the Reporting and Recording System for Goods Crossing the Customs Border of Ukraine

Review of the reporting and recording system for goods crossing the customs border of Ukraine is the activity conducted by customs officials at enterprises, whose activity is the subject of customs control, aimed at determining the degree of compliance of documentation on the said goods and vehicles with requirements set out in this Code and in other laws of Ukraine.

Article 61. Examination of the Territories and Premises of Temporary Warehouses, Licensed Customs Warehouses, Special Customs Zones, Duty-Free Shops and Other Places of Location (or Possible Location) of Goods and Vehicles Subject to Customs Control, or where Activities Controlled by the Customs Authorities are Carried out

Examination of the territories and premises of temporary warehouses, licensed customs warehouses, special customs zones, duty-free shops and other places of location (or possible location) of goods and vehicles subject to customs controls, or where activities controlled by the customs authorities are carried out, are conducted with the aim of:

- a) determining the lawfulness of importation into the customs territory of Ukraine of goods and vehicles, observance of procedure for their importation, as well as full and proper payment of taxes and fees;
- b) determining whether the actual quantities of imported goods and vehicles match the quantities declared in customs declaration;
- c) ensuring the compliance of activities controlled by the customs authorities with provisions of this Code and other laws of Ukraine.

The results of examination of the territories and premises should be duly set out in a report, whose form is determined by the specially authorized central body of executive power on customs practice. A copy of this report is handed to the owner of the temporary warehouse, licensed customs warehouse, duty-free shop or to the director or deputy director of the governing body of a special customs zone.

Article 62. Use of Technical and Special Instruments for Implementation of Customs Control

Technical and special instruments not harmful to people's life and health, animals and plants and those, which do not cause harm to goods and vehicles, may be utilized in implementing customs control according to the procedure established by legislation of Ukraine.

Article 63. Operations with Goods and Vehicles which were not Cleared through the Customs

With the permission of the customs authorities the goods which were not cleared through the customs yet, may be loaded, unloaded, and re-loaded; unpacked, packed and re-packed, the damaged packaging may be removed; identification marks and signs on these goods or their packages may be changed; and vehicles may be changed. The said operations are conducted at the expense of persons transporting these goods and vehicles across the customs border of Ukraine or for the account of their authorized representatives.

Customs authorities on their own initiative or upon initiative of the law enforcement bodies may require from persons, who move the goods through the customs territory of Ukraine, to conduct the actions mentioned in the first part of this article. In such cases all costs incurred in the result of such actions are reimbursed by an authority required it. In cases where as a result of such operations violations of the Ukrainian legislation were detected, either owners of such goods or vehicles or their authorized persons shall reimburse those costs.

The use of goods and vehicles, which were not cleared through the customs, is prohibited, except for cases defined in this Code and other laws of Ukraine.

Article 64. Identification of Goods, Vehicles, Premises and Other Places during the Customs Control Implementation

Goods under customs control, vehicles and premises where such goods are held or may be held, or where the activity controlled by the customs authorities is carried out, as well as meters for energy resources, electricity, heat and other forms of energy may be identified by the customs authorities.

The following customs equipment is applied in the process of identification: locking and sealing devices of a single use, seals, stamps, holographic marks, digital, letter or other markings, identification signs, taking of samples, compilation of an inventory of goods and vehicles, drawings, models, photographs, illustrations, use of shipping documentation etc.

The means of identification may be altered or destroyed only by the customs authorities or other authorities acting with the customs authorities' permission, with the exception of cases where there is a threat of destruction, irreversible loss or substantial damage to goods and vehicles. In such cases the customs authorities are immediately notified about the changes, removal or destruction of identification marks. The evidence of the existing threat is the submitted documentary evidence.

Article 65. Involvement of Specialists and Experts in the Process of Customs Control Implementation

Where necessary, the specialists and experts may be involved in the implementation of customs control.

The head of a customs authority or his deputy summons specialists and experts upon the agreement of a head an enterprises, office or organization at which the given specialist or expert is employed.

The specialist or expert participating in the implementation of customs control has the right to reimbursement of any expenses emanating from his summons. The specialist or expert retains the average wage paid at his place of employment for the time spent on the summons.

Compensation of specialists or experts, including their travel expenses, per diems for the time spent in a business trip in connection with their participation in customs control, as well as compensation for work

performed by the specialists or experts in implementing customs control, is paid out from the state budget of Ukraine in accordance with the procedures established by the Cabinet of Ministers of Ukraine.

CHAPTER 9. SPECIAL PROCEDURES OF CUSTOMS CONTROL

Article 66. Exemption from Certain Types of Customs Control

Exemption from certain types of customs controls is determined by this Code, other laws of Ukraine, as well as international agreements concluded in accordance with the procedure established by law.

Non-application of customs control does not mean an exemption of someone from complying with the order of movement of goods and vehicles across the customs border of Ukraine.

Article 67. Exemption from Customs Survey

The hand baggage and luggage of the President of Ukraine, the Speaker of the Verkhovna Rada of Ukraine,

CHAPTER 10. GENERAL PROVISIONS

Article 70. The Purposes of Customs Clearance

Customs clearance is conducted by customs officials with the purpose of confirming information received during the customs control of goods and vehicles crossing the customs border of Ukraine, and with the goal of procedural implementing the results of such control, as well as for statistical purposes of tracking the goods and vehicles brought in the customs territory of Ukraine, brought outside its bounds, and transit through its territory. .

Customs clearance operations, the procedure for their implementation, as well as forms for customs declarations and other documents used during the customs clearance of goods and vehicles, as well as the procedure for filling in these documents are determined by the Cabinet of Ministers of Ukraine.

Article 71. Place and Time of Customs Clearance Implementation

Customs clearance is conducted in places of location of the appropriate customs authorities' subdivisions during the time set by the customs authorities in agreement with the bodies authorized to conduct the types of control listed in Article 27 of this Code.

In accordance with the international agreements, concluded in accordance with the procedure established by law, customs clearance at the customs border crossing points of Ukraine may take place around the clock.

Customs clearance of goods and vehicles moved through the customs border of Ukraine by residents (except citizens), with the exception of cases when goods and vehicles are transiting the territory of Ukraine, is implemented by the customs authorities in whose area of activities such residents are located. In cases envisaged by the specially authorized central body of executive power on customs practice, customs clearance by another customs authority may take place upon a written agreement between the two customs bodies and the customs body in whose area of activities the resident is located.

The place for customs clearance of goods and vehicles, which are moved through the customs border of

Customs clearance of goods and vehicles, which are exported beyond the bounds of the customs territory of Ukraine by the citizens may be implemented at any customs authority throughout the customs territory of Ukraine.

With the goal of implementing the customs controls and customs clearance of goods, the customs authority may, with a written motivated authorization from the appropriate official of the said authority, take the probes and samples of these goods for testing (analysis, expertise). The testing (analysis, expertise) is conducted at the expense of the State Budget of Ukraine.

Declarants and the relevant state monitoring bodies, with the permission of customs authorities, may take the probes and samples of goods under customs control.

Probes and samples are taken in the minimum quantity sufficient for the testing (analysis, expertise), according to norms established by the specially authorized central body of executive power on customs practice.

A protocol on the drawing of probes and samples of goods under customs control is prepared in a form, determined by the specially authorized central body of executive power on customs practice.

Declarants have the right to be present during the drawing of probes and samples by officials of the customs authority and other state monitoring bodies. The drawing of probes and samples of goods under customs control by other state monitoring bodies or the declarant is conducted in the presence of customs officials. The declarants are obligated to assist customs officials in drawing probes and samples. Loading and other necessary operations shall be provided at the declarant's expense also.

A separate customs declaration for the goods' probes and samples is not filed, provided that information on them will be included into the customs declaration submitted for all goods crossing the customs border of Ukraine.

Declarants have the right to be familiarized with the results of the testing (analysis, expertise) of probes and samples of goods and get copies of testing (analysis, expertise).

The results of testing (analysis) undertaken by other state authorities or declarants must be presented to the customs authorities keeping the goods under customs control. Copies of the results of such testing (analysis, expertise) shall be submitted to the customs authorities also.

Customs authorities do not reimburse expenses incurred by the declarants as a result of drawing probes and samples of goods under customs control. Expenses for testing (analysis, expertise) of probes and samples of goods incurred by the customs authorities and customs laboratories are not reimbursed by the declarant, except the cases when testing (analysis, expertise) is undertaken at the declarant's initiative.

The procedure for drawing probes and samples of goods, the terms of testing (analysis, expertise), and disposition of samples are determined by the Cabinet of Ministers of Ukraine.

Article 76. Submission of Reports Prepared by the Enterprises to Customs Authorities

Enterprises transporting goods across the customs border of Ukraine prepare, in the presence of customs officials, a report about non-compliance of goods with the information contained in documents required for customs control; about damaging of goods; and about damaging of packaging or marking thereof. The said reports are submitted to the relevant customs authorities.

The form of the report is determined by the specially authorized central body of executive power on customs practice.

Article 77. The Language of Documents Submitted for the Customs Control and Customs Clearance Implementation

Documents required for the implementation of customs control and customs clearance of goods and vehicles crossing the customs border of Ukraine in the course of foreign economic transactions, are to be submitted to the customs authority in the Ukrainian language or in the official language of the customs unions to which Ukraine is a party or in other foreign language which is spread world-wide. If the originals of such documents are written in other language than noted above, the declarant must provide their translation into the Ukrainian language at his own expense.

Article 78. Duration of Customs Clearance

If the declarant, for serious reasons, the list of which is determined by the Specially authorized central body of executive power on customs practice, cannot declare all goods and vehicles imported into the customs territory of Ukraine at the time that they are crossing the customs border of Ukraine (except for goods transited through the territory of Ukraine), such goods may be released in free circulation pursuant to the simplified procedure following the submission to the customs authorities of a temporary or incomplete declaration with the declarant obligating himself to submit a standard customs declaration no later than 30 days following the release for free circulation of the goods at issue.

Customs authorities make a decision as to the release for free circulation of goods with completion of customs clearance at a later date based on the circumstances under which the said goods crossed the customs border of Ukraine, the character of the enterprise, body or organization, and on condition of full payment of all required taxes and fees.

Article 83. Periodic Customs Declaration

Where goods regularly cross the customs border of Ukraine by a single entity (person) and on identical

The above-mentioned terms may be prolonged according to conditions determined by the Cabinet of Ministers of Ukraine.

Article 86. Acceptance of a Customs Declaration

The customs declaration is accepted and registered by the customs authority in an order determined by the specially authorized central body of executive power on customs practice.

The filing of a customs declaration to the customs authority shall be accompanied by submission of commercial accompanying and other documents determined by the Specially authorized central body of executive power on customs practice.

Customs declaration is accepted by the customs authority, if it is determined that it comprises all necessary information and all necessary documents are attached thereto. The date and the time of acceptance of the customs declaration is recorded by the customs officer, who accepted it and marked the customs declaration form, as well as certified it by an appropriate record in the customs authority documents.

From the moment the customs declaration is accepted, it becomes a document, certifying the facts of legal significance.

The customs authority does not have a right to reject in acceptance of a customs declaration, if a declarant fulfilled all conditions determined by this Code.

There should be reasonable grounds for reject in acceptance of a customs declaration, and reasons should be informed to the declarant in writing.

Article 87. Declarants

The declarants may be enterprises or citizens, or their authorized customs brokers (intermediaries), who possess the goods and vehicles, which are crossing the customs border of Ukraine.

Also the declarants of goods and vehicles belonging to the citizens may be the individuals authorized (by the owners of these goods and vehicles) for declaring by the notarized powers of attorney.

Article 88. Obligations of a Declarant

A declarant performs all duties, and is fully liable, as stipulated by this Code, notwithstanding whether he is the owner of the goods and vehicles transported through the customs border of Ukraine, or a customs broker or other authorized person.

The declarant is obliged:

to declare goods and vehicles according to the procedure established by this Code;
to present the goods and vehicles for declaration in the customs authority in accordance with the procedure established by this Code;

Prior to the transportation of goods into the customs territory of Ukraine, the declarant is submitting a preliminary declaration to the customs authority.

The procedure for submitting a preliminary declaration, its form and a list of requirements to the information comprised therein, are determined by the specially authorized central body of executive power on customs practice.

Article 90. Change, Amendment or Recall of the Customs Declaration

Upon the permission of the customs authority, information contained in the customs declaration may be changed or amended, and the submitted customs declaration – recalled.

Changes, amendments or recall may be done only before the moment of acceptance of the customs declaration by the customs authority for customs clearance.

Changing, amending and recalling of the customs declaration after its acceptance by the customs authority for customs clearance are not allowed. Introduction of amendments or changes, significant for the application of customs control procedures to goods and vehicles or influencing the conditions of taxation of goods, or application of non-tariff measures, is conducted by way of submission to the customs authority of a new customs declaration, if this is not in contradiction with the provisions of this Code.

The customs officials are not allowed to fill in customs declarations change or amend information, contained in the customs declaration, except for inclusion of information, which is within the competence of customs authorities.

SECTION IV.

MOVEMENT AND ADMISSION OF GOODS AND VEHICLES

THROUGH THE CUSTOMS BORDER OF UKRAINE

CHAPTER 12. PRELIMINARY OPERATIONS

Article 91. Preliminary Operations

Preliminary operations are those acts, which take place prior to the beginning of customs clearance for goods and vehicles.

Preliminary operations aim to speed up the customs clearance of goods and vehicles, and the implementation of customs procedures envisaged by this Code.

The conditions and order of executing preliminary operations found in this Code do not depend on the country of origin of goods or the shipping country.

Article 92. Submission of Documents to the Customs Authorities at the Customs Border Entry Points of Ukraine

If customs clearance of goods and vehicles, in their full quantity in accordance with their particular customs regime, take place in a place other than the customs border entry point, the customs authority at the customs border entry point in Ukraine shall receive transport, commercial and other documents, which contain information on the said goods and vehicles, and this information shall be sufficient to decide whether to permit entry through the customs border of Ukraine.

Movement of certain types of goods through the customs border of Ukraine may take place at entry points specially designated at the customs border of Ukraine. The list of such entry points is approved by the Cabinet of Ministers of Ukraine.

From the moment of presentation to customs authorities and until their release in accordance with the relevant customs regime, goods and vehicles are held in temporary storage under customs control. Such goods and vehicles may be stored in temporary storage warehouses until completion of customs clearance and with the permission of customs authorities. The customs regime for said goods and vehicles is chosen upon their transfer for temporary storage and may not be cd The(r)-6.2o4Sy

Article 102. Relations between the Owner of a Temporary Storage Warehouse and Persons Placing Goods and Vehicles in Storage at Said Warehouses

The relationship between an owner of a temporary storage warehouse and persons placing goods and vehicles in storage at said warehouse are determined by agreement on storage.

The relationship between customs authorities that are owners of warehouses, in which goods and vehicles are stored temporarily under customs control, and persons placing goods in storage at warehouses, is regulated in accordance with this Code and civil legislation of Ukraine.

Article 106. Limitations on Placement of Goods and Vehicles at Temporary Storage Warehouses

All types of goods and vehicles may be placed at temporary storage warehouses. Goods and vehicles, which may harm other goods, or that require special conditions for their storage, should be placed at specially adapted facilities at temporary storage warehouses.

Goods held exclusively by customs authorities in accordance with Article 166 of this Code are not subject to placement in temporary storage of enterprises.

The specially authorized central body of executive power on customs practice may determine the list of specific types of goods and vehicles to be placed in temporary storage under customs control exclusively at customs authorities' warehouses.

Article 107. Person Responsible for Securing Goods and Vehicles Placed at Temporary Storage Warehouses

The owner of a temporary storage warehouse bears responsibility before customs authorities for securing

Article 113. Assistance to the Customs Officials in Enforcement of Customs Procedures

With the aim to facilitate the conduct of the customs procedures at moving means of transportation across the customs border of Ukraine operators of waterborne transport, air transport, motor transport and railway transport are obliged to provide all necessary assistance to customs officials in conduct of their duty.

Article 114. Premises of the Customs Authority in Ports, International Airports and Cross Border Railway Stations

Administration of sea and river ports, international airports cross border railway stations are obliged to provide all necessary premises, equipment, means of communication and sets all conditions for conduct of customs procedures on a contract basis.

The list and requirements to the premises are stipulated by the specially authorized central body of executive power on customs practice and the central body of executive power in transport matters of Ukraine based on volumes and character of international deliveries.

Article 115. Customs Procedures Pertaining to Stocks and Consumption

Stocks and consumption mean the following:

- 1) stocks provided for consumption by passengers and crews of vessels, aircrafts, trains and other means of transportation, regardless of whether they are for sale or not;
- 2) stocks, including combustive-lubricating materials, necessary for operation of vessels, aircraft's, trains and other means of transportation including those procured abroad to mitigate consequences of a breakage or for conduct of necessary routine maintenance of the said means of transportation;
- 3) stocks provided for supply and equipment, combustive-lubricating materials, raw materials for industrial processing, food and other stocks taken outside the customs territory of Ukraine to ensure operation of Ukrainian vessels and vessels rented (chartered) by Ukrainian entities for fishing.

Stocks provided for consumption and carried by vessels, aircrafts, trains or other means of transportation across the customs border of Ukraine in the amounts set on the basis of rates of consumption with regard to length of the trip are subject to customs clearance on a non-license basis without declaration and payment of taxes and fees (except cases mentioned in this Code); if exceeding these norms - according to regular procedures under the declared regime.

Article 116. Passage of Special Equipment Imported/Exported Together with Vehicles

Special equipment used for loading, unloading, protection and storage of goods that moves together with vehicles across the customs border of Ukraine are subject to passage under the same conditions as the vehicle, provided they are used according to their application and enter or leave Ukraine together with the vehicle.

Article 117. Passage of Spare Parts and Equipment for Maintenance of Vehicles

Spare parts and equipment for maintenance of vehicles temporarily imported into the customs territory of Ukraine or temporarily exported from it may be imported (exported) under the condition of their back importation to or exportation from Ukraine without payment of taxes and fees. Customs authority that is responsible for passage of the spare parts and equipment may take guarantee measures envisaged in Article 211 of the present Code.

Substituted spare parts and equipment may not leave the customs territory of Ukraine (or be imported), and with a permit from the customs authority they may:

be submitted to the customs authority for clearance for free circulation on the customs territory of Ukraine (outside Ukraine);

be destroyed under supervision of the customs authority.

Article 118. Restrictions on Passage of Alcohol or Tobacco Products Carried on Board of Means of Transportation across the Customs Border of Ukraine

Means of international transportation are permitted to carry on board into or from the customs territory of Ukraine the amount of alcohol or tobacco for consumption by crew or passengers based on the rates of consumption stipulated by the Cabinet of Ministers of Ukraine.

Article 119. Temporary Permit for Passage of Vehicles to the Customs Territory of Ukraine

Vehicles used for moving passengers or goods across the customs border of Ukraine are permitted to temporarily enter the customs territory of Ukraine without payment of taxes and fees and without application of non-tariff regulation measures.

Vehicles, temporarily imported into the customs territory of Ukraine, must leave Ukraine without introduction of any changes into their design (except for essential tear and wear, consumed fuel and lubricants and necessary maintenance).

Temporal importation of vehicles into the customs territory of Ukraine is permitted under the condition that

at ports. Customs clearance of these vessels is conducted on the basis of a written notice of the captain of the vessel stating that he does not enter foreign ports and does not harbor near foreign-going vessels or that the next voyage, following the present one, does not envisage entering foreign ports or contacts with foreign-going vessels.

Customs clearance of fish products, manufactured by Ukrainian vessels within border of Azov-Black Sea water basin, is conducted without customs cargo declaration being filled in and without payment of taxes and fees.

If a vessel, for some reason, entered port of other states or contacted foreign-going vessels, she is subject to the customs control according to regular procedures.

Article 130. Customs Clearance of Ukrainian Vessels Manufactured or Purchased Abroad or Sold Abroad

Customs clearance of a vessel purchased or manufactured by a resident out of the customs territory of Ukraine is conducted after the moment when a resident becomes the owner of such a vessel, and it is cleared as import upon the first entry to the one of the Ukrainian ports.

Customs clearance of vessel purchased by a non-resident on the customs territory of Ukraine is conducted in export regime, if it is being exported out of the customs territory of Ukraine, or as a temporary admission, in case such a vessel is used on the customs territory of Ukraine.

Article 131. Customs Permit for Departure of the Vessel That Conducts International Transportation

The administration of the port shall not permit the captain of the foreign-going vessel to leave the area of the port without an entry made into the relevant document by the customs authorities.

Customs permit for departure from the port is not required for a temporary departure of the vessel from the port that arises due to the natural disaster, to rescue people or in other force majeure circumstanceo(m)14 0 -1.14g247

2) documents on postal deliveries, goods and documents that accompany goods;

3) other documents envisaged in the present Code, in other legislative regulations of Ukraine or in international treaties of Ukraine signed according to the procedure established by law.

A customs permit for unloading or loading goods from/on the aircraft is issued only after checking the submitted documents for compliance with the requirements of the present Code.

Article 135. Emergency Landing

The commander of the aircraft that makes an emergency landing outside of the international airports is obliged to take all measures necessary for preservation of goods subject for customs control and to notify the nearest international airport on the site of landing during 24 hours.

Loading, unloading, reloading and other works necessary for conduct of customs control and customs clearance of the goods are carried out at the expense of the railway enterprises.

Article 140. Conduct of Customs Control at Railway Transportation

Customs control at railway transportation is conducted according to the special technological schemes adopted by the administrators of railway stations, heads of the customs authorities and bodies of the border guards of Ukraine.

Article 141. Documents Necessary for Customs Control of Goods Carried by Railway Transportation

When goods, carried by railway transport, subject to customs control arrive authorized employees of the railway station are obliged to submit the following documents to the customs authority:

- 1) certificate of transfer (a list of luggage);
- 2) railway invoices;
- 3) other documents envisaged by the present Code, other laws of Ukraine and by the international treaties of Ukraine signed in accordance with the procedure established by law.

Article 142. Responsibility to Bring Goods to the Customs Check Point at Destination

The railway is responsible for the loss and improper bringing the goods subject to customs control to the customs checkpoints at destination.

Article 143. Location for Conduct of Customs Procedures in International Railway Transportation

Customs control of goods and means of transportation involved in international railway transportation is conducted at the customs control areas. Passengers of international trains may also pass customs control at other sites located along their route that are appointed by the specially authorized central body of the executive power on customs practice, the specially authorized central body of executive power on Border Protection of Ukraine and the central body of executive power in transport matters.

In order to keep timetables of the railway such control may be conducted at locations other than crossing points on the state border or at locations selected by the head of the customs authority in agreement with the administrator of the railway station and the head of the body of border guards of Ukraine.

In exceptional cases, list of which is determined by the specially authorized central body of executive power on customs practice, at the requirement of the customs authority some railway cars, locomotives, other elements of the train may be excluded from the train for conduct of customs procedures, if such conduct is impossible in the train.

Departure of means of railway transportation from the stations is conducted with permission of the customs authority and the body of border guards of Ukraine.

Article 144. Passage of Goods Carried at Dining Cars of International Trains

Food and non-alcoholic drinks, wines, liqueurs, cognacs and strong alcoholic drinks that pass the customs border of Ukraine in the dining cars of international trains are subject to mandatory customs declaration.

Food and non-alcoholic drinks that pass the customs border of Ukraine are exempt from taxes and fees under the following conditions:

⌘ they are sold exclusively for immediate consumption in the train;

⌘ their amount does not exceed the minimum quantity necessary to render services of the dining car along the entire route.

Alcohol drinks and tobacco products that cross the customs border of Ukraine in the dining cars are permitted to pass the customs border of Ukraine under conditions of payment of all required taxes and fees.

CHAPTER 19. CUSTOMS PROCEDURES AT MOTOR TRANSPORTATION

Article 145. Documents Necessary for Customs Control of Means of Motor Transport

Persons that conduct motor transportation of goods and passengers across the customs border of Ukraine are obliged to have respective documents, stipulated by this Code, laws of Ukraine and international agreements of Ukraine concluded in accordance with the procedure established by law.

Article 146. Obligations of Persons That Conduct Motor Transportation of Goods Subject to Customs Control

Persons that conduct motor transportation of goods subject to customs control are obliged:

- 1) to bring goods to the place of destination preserving customs obligations;
- 2) not to start loading, unloading or reloading of goods without a permission from the customs authority;
- 3) to submit all documents necessary for customs control and customs clearance to the customs authority;
- 4) in cases of necessity to carry out unloading, loading, packing and unpacking of goods for their submission to customs control at the expense of the operators.

Article 147. Procedures for the Customs Clearance of Vehicles Transporting the Goods across the Customs Border of Ukraine

Vehicle employed in delivery of goods across the customs border of Ukraine do not need a separate customs declaration, if the goods moved by the vehicle across the customs border of Ukraine are declared.

Information on the vehicle that delivers the goods is included into the customs declaration for its freight, TIR carnet (1975 Convention on TIR), invoices for the freight and other freight and accompanying documents stipulated by legislation.

CHAPTER 20. CUSTOMS PROCEDURES FOR THE PIPELINE AND POWER LINES

Article 148. Customs Control Procedures for Goods Transported by Pipelines and Power Lines

The Cabinet of Ministers of Ukraine shall determine the customs control areas for the purposes of customs control of goods transferred by the pipeline and power lines (including the transit through the territory of Ukraine).

The Cabinet of Ministers of Ukraine shall introduce the procedure and time limits for customs control purposes of the customs clearance of the goods transferred by the pipelines and power lines, taking into account the specific features of such transfer through the customs border of Ukraine.

Article 149. Documents for the Purposes of Customs Clearance of Goods Transferred by the Pipelines

For the purposes of customs clearance of goods transferred by the pipelines, the Declarant (declaring person) shall submit the following documents to the customs authority:

- 1) the agreement (contract) on foreign economic activity;
- 2) the act (acts) of acceptance of the goods;
- 3) the quality certificate;
- 4) the invoice;
- 5) the teletype route;
- 6) the permissions (licenses) of the corresponding government bodies;
- 7) other documents determined by this Code and other Ukrainian laws.

Article 150. Documents for the Customs Clearance of the Transfer of Electricity

For the purposes of customs clearance of the transfer of electricity the Declarant shall submit the following documents to the customs authority:

- 1) the agreement (contract) on foreign economic activity;
- 2) the supporting documentation of the corresponding enterprise regarding the amount of electricity transferred through the customs territory of Ukraine;
- 3) other documents determined by this Code and other Ukrainian laws.

CHAPTER 21. TRANSFER OF GOODS THROUGH THE CUSTOMS BORDER OF UKRAINE
BY INTERNATIONAL MAIL AND EXPRESS-MAIL

Article 151. Transfer of International Mail through the Customs Border of Ukraine

The International mail shall be transferred through the customs territory of Ukraine (including transit through the territory of Ukraine) after completion of the customs control and the customs clearance of goods contained in such mail.

The postal enterprises of Ukraine must present (at their own expense) the international postal consignments transferred through the customs border of Ukraine to the customs authorities for customs clearance.

The central body of executive power on communication and informatization of Ukraine in agreement with the specially authorized central body of the executive power on customs practice shall identify and equip the points of international mail exchange for purposes of customs control and customs clearance of the goods transferred through the customs border of Ukraine as the international postal consignments.

The internal customs transit – is the shipment of goods and vehicles under the customs control:

- 1) from one crossing point located at the customs border of Ukraine (point of importation into the customs territory of Ukraine) to another customs authority, located inside the customs territory of Ukraine;
- 2) from the customs authority located within the customs territory of Ukraine to the crossing point located at the customs border of Ukraine, i.e., point of exportation from the customs territory of Ukraine);
- 3) from the customs authority, located within the customs territory of Ukraine to another customs authority, located within the customs territory of Ukraine.

Article 156. Conditions for Transiting the Goods

The transit goods shall comply with the following:

- 1) shall stay unchanged (except natural losses) and shall not be used for other purposes than transit;
- 2) shall be delivered to the customs authority of destination in accordance with the time period established by the customs authority of dispatching.

During the transit of goods through the custom territory of Ukraine, in accordance and under the control of the customs authority, certain operations may be performed with such goods without changing the qualities and the shape of such goods (reloading, unloading, loading, repackaging).

Article 157. Itineraries for the Transit Shipments

The goods shall be transited through the customs territory of Ukraine via itineraries determined by the carriers on their own consideration of economic efficiency principles, if they are complying with the conditions of this Code.

The Cabinet of Ministers of Ukraine may introduce some limitations regarding the use of certain roads and transit itineraries within the customs territory of Ukraine, identify the roads or itineraries for certain kinds of goods and vehicles transited through the customs territory of Ukraine, identify the crossing points for importation/exportation of certain goods and so on.

Article 158. Duration of the Customs Transit

The Cabinet of Ministers of Ukraine sets forth the maximum time limits for the transitional customs transit, which depend on the kind of transportation.

The dispatching customs authority introduces the time period for the shipment of goods to the corresponding customs authority of destination in accordance with the existing norms for shipment of goods, taking into account the type of transportation, the itinerary, the distance to the final destination point and other shipment conditions. This time period shall not include the storage time at the warehouses in case of reloading into a transport facility of another kind and the time period, which is needed for other operations with goods allowed by the customs authorities.

Article 159. Measures Applied in Case of an Accident or in Case of Force Majeure

If the vehicle transiting goods was unable to arrive to the destination customs authority, because of the accident or Force Majeure – it is allowed to unload goods in another place.

In such case the carriers shall be obliged to do the following:

- 1) to take all measures needed for preserving the goods and preventing any use of such goods;
- 2) to urgently inform the nearest customs authority about such events and location of the vehicles and goods;
- 3) to deliver goods to the nearest customs authority or deliver customs officials to the location of such goods.

The customs authority shall not reimburse to the carrier the losses incurred during the implementation of measures, specified in this Article.

Article 160. Liability for Non-Compliance with the Established Procedure for the Transit Shipment of Goods

The carrier shall be liable, according to law, for non-compliance with the established procedure for the transit shipment of goods.

CHAPTER 23. MEASURES FOR PROVIDING GUARANTEE OF DELIVERING GOODS UNDER THE CUSTOMS CONTROL

Article 161. Measures for Providing Guarantee of Delivering

The following guarantees may be applied to delivery to the destination customs authority of goods and vehicles under customs control and transferred between the customs authorities:

- 1) the owner of goods and vehicles or an authorized person issues a guarantee to the customs authority;
- 2) the customs authority ensures security and escorts the goods;
- 3) carriage of goods by the customs carrier;
- 4) transportation of goods under conditions of the Customs Convention on TIR under TIR carnet 1975 (1975 Convention on TIR).

Article 162. Guarantees for Delivery of Goods to the Destination Customs Authority

Owner of the goods under customs control or the authorized person may give the guarantees to the customs authority regarding the obligatory delivery of such goods to the destination customs authority

The types, conditions and procedures for the application of guarantees are determined by law.

Article 163. Ensuring Security and Escorting the Goods by Customs Authorities

The customs authorities provide securing and escorting the goods during internal and transitional customs transit.

The specially authorized central body of executive power on customs practice shall establish the forms and methods for securing and escorting the goods to the destination customs authority.

The customs charges shall be paid for the securing and escorting the goods by the customs authority at the rate not exceeding the actual costs of the customs authority.

Article 164. Transportation of Goods by the Customs Carrier

Transportation of goods to the destination customs authority by the customs carrier as a guarantee of delivering goods shall be conducted in compliance with Articles 182-184 of this Code.

Article 165. Conditions for Applying Measures of Guaranteeing the Delivery of Goods

Decision on the application of measures to guarantee the delivery of goods to the destination customs authority shall be adopted in each particular case by the corresponding customs authority located at the point of beginning of the transit of such goods, provided there are grounds for the application of such measures.

Such guarantee measures are compulsory for excisable goods.

The owner of the goods or the authorized person shall choose the type of guarantee measure to be applied during delivery of goods under the customs control to the destination customs authority unless otherwise is specified by law.

The guarantee measures for delivering goods under the customs control and transported between the

Article 167. Customs Warehouses

Goods, which are specified in clause 4 of part I, Article 166, goods and documents, specified in the clauses 5-7 of part I, Article 168 as well as goods and transportation facilities, specified in clause 8 of part I, Article 168 of this Code may be stored at the customs warehouses for the time periods established in legislation.

Article 170. Operations with the Goods Stored at the Customs Warehouses by the Enterprises

Except operations, specified in the Article 63 of this Code, the enterprises, which store the goods under customs control at the customs warehouses may (after getting permission and under control of the above mentioned bodies) perform the following operations with such goods:

- 1) prepare goods for sale and transportation (division of the shipment, formatting of the shipment, sorting out, packaging and repackaging);
- 2) mix up the goods (components) without changing the characteristics and features of such goods;
- 3) simple warehouse operations.

Article 171. Release of Goods from the Customs Warehouses

The goods, which are stored by the enterprises at the customs warehouses under the customs control may be released to such enterprises only after the customs clearance.

The goods, specified in the part one of this Article may also be released to a person, to whom the right to own or the right to possess such goods was transferred during the storage period.

CHAPTER 25. DISPOSAL OF GOODS, VEHICLES AND FUNDS

Article 172. Disposal of Goods and Vehicles

Goods, which are stored under the customs control (except cases, specified in clause 1, part 1, Article 166 of this Code) and which were not requested by the owner or by the authorized person before the expiry of the storage time period, specified in parts 1 and 2, Article 169 of this Code, shall be sold. The customs authority shall provide the corresponding information to their owner at least two weeks in advance.

Goods, which have not complied with the customs rules as well as goods with the specially prepared hiding places and vehicles, which have been used for transportation of such goods through the customs border of Ukraine and confiscated in accordance with the Court decision, shall be sold, or in cases specified in the

Goods are sold with the assessment of all taxes and fees, which should be paid if such goods and vehicles are moved through the customs border of Ukraine, at the rates valid for the selling day, in cases where taxes and fees were not paid in advance.

The Cabinet of Ministers of Ukraine shall establish the procedure for disposal of certain types of goods, which are not subject to sale.

Article 173. Organization of Customs Auctions

The Cabinet of Ministers of Ukraine shall establish the procedure for organization of customs auctions.

Article 174. Disposal of Funds, Received from the Sale of Goods and Vehicles

Funds, received from sale of goods, which have not been requested by the owner or by the authorized person before the expiration of the storage time period, specified in parts 1 and 2, Article 169 of this Code – after deduction of the corresponding taxes and fees, payment of commission fee to the trading enterprise, which sold such goods, as well as reimbursement of such expenses as storage, evaluation, clearance, transportation, expert evaluation and analysis (in case it is need), mailing corresponding notices to their owners – shall be kept in the deposit bank account of the corresponding customs authority.

In case the goods, which have not complied with the customs rules, are quickly perishable or have limited storage time period are sold before the Court decision is made – all the money, received as proceeds from the sale shall be withdrawn as collateral (pledge) according to this Code in case of confiscation of such goods.

In case the Court does not adopt a decision regarding confiscation of goods, specified in the second paragraph of this Article, or if such case is terminated – money, received as proceeds from the sale of such goods shall be allocated and kept at the bank account of the corresponding customs authority after withholding of the corresponding amounts of taxes and fees. Expenses, specified in part one of this Article, shall not be reimbursed and the commission fee to the trading enterprise shall not be paid.

In case the Court shall adopt a decision only about financial sanction (penalty) – a part of money, received as proceeds from the sale of goods specified in the second part of this Article, may be confiscated as collateral for such sanction.

Money, received as proceeds from the sale of goods and vehicles, confiscated in accordance with the Court decision, as well as from goods, which have been transferred by the owner for the benefit of the State – after the reimbursement of expenses specified in the part one of this Article and payment of the commission

SECTION VII. BUSINESS ACTIVITIES ON PROVIDING SERVICES IN DECLARING GOODS
AND VEHICLES AND TRANSPORTATION OF GOODS, BEING MOVED ACROSS THE
CUSTOMS BORDER OF UKRAINE AND UNDER CUSTOMS CONTROL

CHAPTER 26. CUSTOMS BROKER

Article 176. Customs Broker

For divulgence of information, containing commercial secret or being confidential, customs broker is liable according to the law.

CHAPTER 27. CUSTOMS CARRIER

Article 182. Customs Carrier

Customs carrier - is an enterprise engaged in carriage of goods under customs control between the customs

The customs regime that is not stipulated in the part one of this Article may be applied only in case of introduction of specific changes into this Code.

Article 186. Choice and Change of the Customs Regime

The Declarant may choose on his own the customs regime for the goods and vehicles, which are transferred through the customs border of Ukraine, in accordance with the purposes of such transfer, and on the basis of documents submitted to the customs authority for the purposes of customs control and clearance.

The customs regime may be changed in case of adherence to all procedures stipulated by the declared regime, legislative requirements on tariff and non-tariff regulation measures and submission to the customs authority of relevant documents (for the purposes of customs control and clearance), that confirm the declared regime.

Article 187. Regulation of Issues on the Application of Customs Regimes

The customs authority adopts the decision on permitting the transit of goods, provided that necessary documents are available, and the carrier complies with this Code and other laws of Ukraine.

CHAPTER 34. TEMPORARY IMPORT (EXPORT)

Article 204. The Concept of “Temporary Import (Export)” Customs Regime

“Temporary import/export” means the customs regime when goods may be imported into the customs territory of Ukraine or exported from the customs territory of Ukraine with the obligatory return of such goods without any changes, except for natural wear and tear in case of normal transportation conditions.

The corresponding customs authority, in accordance with the procedure established by the Cabinet of Ministers of Ukraine, shall adopt a decision on permitting the temporary importation (exportation) of goods into the customs territory of Ukraine.

The customs authority shall not allow the movement of goods under the temporary import /export regime, if there is no possibility to properly identify such goods, and if there is no guarantee for returning such goods.

Article 208. Time Limits for Temporary Import (Export) of Goods

The total time period for the temporary import/export of goods is one year.

Taking into account the purposes of importation/exportation of goods and other circumstances, a corresponding customs authority may extend the time period specified in the part one of this Article.

Article 209. Exemption from Tax Payments during the Temporary Import (Export) of Goods

The exemption from taxes of goods, which are temporarily imported/exported into/from the customs territory of Ukraine shall be regulated exclusively by tax laws of Ukraine.

Article 210. Disposal of Goods after the Expiration of the Term of Temporary Import (Export)

Before the temporary import (export) term expires, the person, who provided an obligation regarding the exportation (importation) back of the goods under temporary import/export regime, shall do the following:

- 1) export (import) these goods in accordance with the obligation provided to the customs authority, or
- 2) announce changing of the customs regime of such goods, which is allowed in compliance with the provisions of this Code and other legislative acts of Ukraine.

Article 211. Guarantees regarding the Goods under the Temporary Import/Export Regime

In case of the temporary import (export) of certain types of goods, specified by the Cabinet of Ministers of

The goods, which may damage other goods or which need some special storage conditions, shall be stored

Special customs zones are the parts of the territory of Ukraine, where the customs regime of special customs zone is introduced. For the purposes of taxation, the goods imported into the special customs zones shall be treated as such, which are located outside the customs territory of Ukraine.

Special customs zones shall be created in accordance with the effective legislation of Ukraine on special (free) economic zones by way of adopting a separate law for each special customs zone, which identifies the status, territory and time period of such zone and specific features of the application of the legislation of Ukraine on such territory. The law shall establish the conditions with respect to creation of special customs zone, types of goods, allowed to such zone and types of operations performed with the goods within the zone. The law shall also identify the conditions regarding the organization of functioning of the special customs zone and duties of the administration of such zone with respect to compliance with the requirements of customs legislation during the customs control.

Article 219. Requirements to Special Customs Zones

For the purposes of proper organization of customs control, the corresponding customs authority may request the following from the administration of the special customs zone:

- to build the fence around the zone;
- to introduce limitations with respect to access to such zone during the certain hours;
- to take other measures in accordance with the law on such zone, which are not preventing the normal operation of the zone.

Any construction within the border of special customs zones without the preliminary agreement with the corresponding customs authority shall not be allowed.

Article 220. Measures to be Taken by Customs Authorities to Ensure Customs Control in Special Customs Zones

For the purposes of customs control at the special customs zones, the customs authorities shall be empowered to do the following:

- to exercise permanent control and monitoring over the special customs zones borders, as well as over the access to such zone;
- to request proper accounting of the transferring of goods (for purposes of control) from the

The goods may be stored under the duty free shop regime for the period up to three years from the date they were placed under such regime. After the expiration or during such period the goods may be declared to the customs authority for the purposes of:

- 1) free circulation within the customs territory of Ukraine;
- 2) free circulation outside the customs territory of Ukraine;
- 3) transfer under the customs warehouse regime;
- 4) destruction under the customs control.

The owners of the duty free shops may have customs warehouses for storage and for their further supply to the shops of goods of all types, including excisable.

Duty free shops may sell all types of foodstuff and non-foodstuff products domestically produced (on terms of export) and of foreign origin, except those prohibited, according to the legislation for import/export and transit through the territory of Ukraine.

The Cabinet of Ministers of Ukraine shall establish the procedure for opening and liquidation of duty free shops as well as the procedure of the sale of goods in the duty free shops.

Article 227. Requirements to the Owners of the Duty Free Shops

Only a resident enterprise may become an owner of a duty free shop.

The owner of the duty free shop shall be obliged:

- 1) to declare on time to the customs authority the goods, which are brought into the shop or taken out from the shop and submit all the necessary documents for purposes of customs control and customs clearance;
- 2) to exclude the possibility of bringing goods into the shop and taking them out from the shop without customs control;
- 3) to comply with the provisions of this Code and other legislative acts of Ukraine on the activities of the duty free shops;
- 4) to maintain accounting of goods, which are brought in and sold by the duty free shop, and to submit to the corresponding customs authorities the report on goods flow in the shop in accordance with the form established by the specially authorized central body of executive power on customs practice.

Article 228. Disposal of Goods in Case of Liquidation of the Duty Free Shop

After the decision on liquidation of duty free shop becomes effective, the transfer of new shipments of goods, as well as sale of goods at the shop, shall not be allowed. The goods in the duty free shop shall be immediately transferred to the warehouse of the shop and shall be declared under another customs regime by the owner of the shop.

CHAPTER 38. PROCESSING AT THE CUSTOMS TERRITORY OF UKRAINE

Article 229. The Concept of "Processing at the Customs Territory of Ukraine" Customs Regime

Processing at the customs territory of Ukraine is the customs regime, when goods originating in other countries are imported and processed in the customs territory of Ukraine (in accordance with the procedure established in legislation) without application of the non-tariff regulation measures thereto, provided that the products of processing are exported outside the customs territory of Ukraine in accordance with the export customs regime.

Article 230. Permit to Process Goods at the Customs Territory of Ukraine

The importation and processing within the customs territory of Ukraine of goods originating in other countries shall be made in accordance with the customs authority's permit pursuant to this Code and other laws of Ukraine.

Permit to process goods in the customs territory of Ukraine may be cancelled by the customs authority in case this permit has been issued on the grounds of false data (which were substantially important during adoption of such decision) or in case the resident enterprise (which obtained such permit) is not complying with the provisions of this Code and other legislative acts of Ukraine.

Article 231. Operations with Respect to the Processing of Goods

Number of operations with respect to processing of goods under the customs regime of processing in the customs territory of Ukraine shall not be limited.

Operations with respect to processing the goods may include the following:

- 1) general processing of the goods;
- 2) re-processing of the goods – assembling, mounting, adjusting and receiving other goods as a result of such activities;
- 3) repair of the goods, including renewal and adjusting;
- 4) use of certain goods, which are not results of processing but which improve or facilitate the processing of products in case such goods are fully depleted during such process.

This Code and other laws of Ukraine shall establish restrictions for certain operations in processing of the goods and procedure for carrying out operations in processing of goods (including the possibility and conditions for using Ukrainian goods in the processing).

Other enterprises may perform certain operations on processing the goods on behalf of the resident enterprise, which obtained the permit to process the goods within the customs territory of Ukraine (in case the customs authority allows such activities). In such case the enterprise, which obtained the permit for conducting operations in processing goods shall be liable to the customs authority for compliance with the established procedure for processing the goods.

In case conditions for processing the goods within the customs territory of Ukraine envisage performance of several operations on their processing by several enterprises – each of such enterprise shall obtain the permit of customs authority to process the goods within the customs territory of Ukraine. Transfer of goods between enterprises participating in their processing shall be made in accordance with the permission and under control of the customs authorities.

Article 232. Terms for Processing of the Goods within the Customs Territory of Ukraine

Terms for processing of the goods within the customs territory of Ukraine shall be calculated starting from the day of finalization of the customs clearance of the goods (imported for processing) by the customs authority.

The customs authority shall establish the term for processing of the goods at the customs territory of Ukraine during the issue of permit to the resident enterprise, taking into account the term which is necessary for the processing of the goods and disposal of the final products resulting from their processing

Article 238. Operations Relating to Processing of the Goods outside the Customs Territory of
Ukraine

During the processing of the goods outside the customs territory of Ukraine, the operations mentioned in the part two of the Article 231 of this Code, may be performed.

The laws of Ukraine may establish restrictions with respect to certain operations on the processing of goods outside the customs territory of Ukraine.

Destruction or extermination means the customs regime when goods imported into the customs territory of Ukraine are destroyed under the customs control, or brought into conditions, when the usage of such goods becomes impossible, without charging any import taxes and without application of the non-tariff regulation measures to goods to be destructed or exterminated.

Destruction or extermination of goods shall be allowed on the grounds of the written permit issued by the customs authority on the basis of the permits from other bodies of state power, authorized to control the movement of goods across the customs border of Ukraine. The customs authority shall not issue such permit in case the destruction of the goods may cause substantial damage to the environment, as well as in other cases, specified by the specially authorized central body of executive power on customs practice together with other bodies of state power authorized to control the movement of goods across the customs border of Ukraine.

Article 244. Expenses for Extermination of Goods

The goods shall be exterminated or destructed at the expense of the owner or other interested person.

Article 245. The Waste (Remainders) Resulting from Extermination or Destruction of the Goods

The waste (remainders) resulting from the extermination or destruction of the goods shall be placed under the corresponding customs regime as goods, imported into the customs territory of Ukraine and staying under the customs control.

Article 248. Conditions for Sending Goods by the Citizens in the International Postal and Express-Mail Consignments

7) items (property) for personal use, including items needed for preliminary settlement, purchased in

Article, except for situations where such violation occurred as a result of an accident or Acts of God, which is evidenced by necessary documents, the guarantees shall be used for securing reimbursement.

SECTION X. CONTROL OVER MOVEMENT THROUGH THE CUSTOMS BORDER OF
UKRAINE OF GOODS CONTAINING INTELLECTUAL PROPERTY OBJECTS

CHAPTER 45. SPECIFICS OF MOVEMENT THROUGH THE CUSTOMS BORDER OF
UKRAINE OF GOODS THAT CONTAIN INTELLECTUAL PROPERTY OBJECTS

Article 255. Procedures for customs control and customs clearance of goods that contain objects of
intellectual property rights

Customs control and customs clearance of goods that contain objects of intellectual property rights shall be

Not later than the next work day following the date when the decision on suspending the customs clearance of the goods mentioned in part 1 of this Article has been made the customs authority informs the appropriate owner of the right to the object of intellectual property about the fact that these goods crossed the customs border of Ukraine, as well as informs the declarant about the reasons of their customs clearance suspension, and also informs the declarant about the name and address of the owner of rights to object of intellectual property. The notification sent to the owner of the right to intellectual property object includes the list of those goods the customs clearance of which has been suspended, these goods' customs value declared by the declarant, the mentioned goods' owner's name and address, as well as other needed information.

With the customs authority's permission, the owner of the rights to object of intellectual property and the declarant may take probes and samples of the goods in respect to which the decision to suspend the customs clearance has been made to be sent for expertise. The copies of the appropriate expert conclusions should be submitted to the customs authority.

If the fact, that the goods, in respect of which the decision to suspend the customs clearance has been made, are infringing, is confirmed within the timeframes set forth in part 2 of this Article, the customs authority shall initiate proceedings on the case on violation of customs rules pursuant to the procedure set forth by this Code, while the goods, that are directly involved in this violation, are detained as prescribed by law.

If the fact, that the goods, in respect of which the decision to suspend the customs clearance has been made, are infringing, is not confirmed within the timeframes set forth in part 2 of this Article, the customs clearance of these goods should be carried out in a usual manner.

Article 258. Cooperation of Customs Authorities with Other Bodies of State Power in the Area of Intellectual Property Rights Protection

In controlling the movement across the customs border of Ukraine of goods containing objects of intellectual property rights, the customs authorities shall interact with other bodies of state power authorized to take measures in the area of protection of intellectual property rights, in accordance with procedures established by the legislation of Ukraine.

SECTION XI.

CUSTOMS VALUE OF GOODS.

METHODS OF DETERMINING THE CUSTOMS VALUE OF GOODS

CHAPTER 46. GENERAL PROVISIONS

Article 259. Customs Value of Goods

The customs value of goods is the value of goods, which cross the customs border of Ukraine, declared by the Declarant or determined by a customs authority and calculated at the time of the goods' crossing the customs border of Ukraine in accordance with this Code.

Article 260. Determining of Customs Value of Goods and Customs Valuation of Goods Crossing the Customs Border of Ukraine

The procedure for determining the customs value of goods and goods customs valuation shall apply to goods crossing the customs border of Ukraine.

The methods for determining the customs value of goods crossing the customs border of Ukraine as well as conditions of their application are determined by this Code.

- reserve method (method 6)

The basic method of the determining of the customs value of goods is the transaction value of the imported goods.

In case the basic method cannot be used, the next from the above-mentioned methods is applied in the sequential order. And each succeeding method of customs valuation is applied if the customs value cannot be determined using the preceding method.

Deductive and computed value methods can be used in any order upon the request of the declarant.

Article 267. The Valuation Method Based on the Transaction Value of the Imported Goods

The customs value of imported goods shall be the transaction value, that is the price actually paid or

- b) quality and market reputation;
- c) country of origin;
- d) manufacturer.

Minor differences in appearance may not prevent the goods from being regarded as identical, if in general these goods meet the requirements of part 1 of this Article.

The transaction value of identical goods shall be taken as a basis for determining the customs value of the goods, provided that such goods:

- a) are sold (alienated) for import into the territory of Ukraine;
- b) are imported with the goods that are being valued simultaneously, or not earlier than 90 days before the importation of the goods that are being valued;
- c) are imported in approximately the same quantities and on the same commercial level. If identical goods were imported in a different quantities or on different commercial level, the Declarant is required to make necessary adjustments in the value of such goods, taking into account these differences, and documentary prove the reasonableness of the value.

The customs value of goods that is determined on the basis of transaction value of identical goods must be adjusted to reflect expenses specified in Article 267 of this Code.

The adjustments by the Declarant can be made on the basis of accurate and documentary supported data.

If several transaction values of identical goods exist for the purposes of application of this method, the lowest price shall be used for determining the customs value of goods being imported.

Article 269. Method of Valuation Based on the Transaction Value of Similar (Analogous) Goods

The customs value shall be the transaction value of similar goods imported in accordance with provisions determined by this Article. In applying this method, the similar (analogous) goods shall mean goods which, although not alike in all respects, have like characteristics and like component materials which enable them to perform the same functions in comparison with goods being valued, and are commercially interchangeable.

To determine whether goods are similar (analogous), the following characteristics shall be taken into account:

- 1) quality, existence of a trade mark and market reputation;
- 2) country of origin;
- 3) manufacturer.

For purposes of application of the method of determination of the customs value of goods based on the transaction value of similar (analogous) goods, provisions of items 3 – 6 of Article 268 of this Code shall be used.

Article 270. Reservations with Respect to Application of Methods Based on the Transaction Value o

Goods shall not be deemed identical or similar (analogous) inasmuch as their design, research and development works, artwork, layouts, drawings and other similar works were performed in Ukraine.

Article 271. Method of Valuation Based on the Deduction of the Value

If the goods being valued or identical or similar imported goods are sold (alienated) in the country of importation in the condition as imported, the customs value of the goods shall be determined by the method of deduction of the value.

The customs value of the goods shall be based on the unit price at which the goods being valued or

The customs value of the goods shall be determined by the reserve method on the basis of Ukrainian legislation, and must be consistent with principles and provisions of Article VII of General Agreement Tariffs and Trade (GATT) and Agreement on Application of Article VII of the General Agreement on Tariffs and Trade (GATT) of 1994.

To determine the customs value by the reserve method, a customs authority must share the available information regarding prices with a Declarant.

To determine the customs value by the reserve method, one may not use:

- 1) the price of goods on the domestic market of the country of exportation;
- 2) the price of goods for export to a country other than the country of importation;
- 3) prices of Ukrainian goods on the domestic market of Ukraine;
- 4) voluntary established or unproven price of good;
- 5) production expenses, which differ from those that were used to determine prices of identical or similar (analogous) goods in accordance with provisions of Article 272 of this Code.
- 6) minimal customs value;
- 7) the higher of two alternative values.

CHAPTER 48. CUSTOMS VALUE OF GOODS EXPORTED FROM UKRAINE

Article 274. Determining of the Customs Value of Goods Exported from Ukraine

The customs value of goods exported from Ukraine on the basis of a sale-purchase agreement or barter

agreement (anal. to 6.3(e)-1.13(m)6.8(a.7(d))6.7(n))6.3

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The transactions value actually paid or payable shall be the grounds for determining the goods customs value unless it has been affected by the below factors:

1) restrictions with regard to seller's (exporter's) rights to goods, save for:

a) restrictions imposed by the laws;

A group of countries, a customs union of countries, a region or part of a country, may be considered a country of origin of goods, if it is necessary to mark them out for purposes of determining the origin of goods.

Article 278. The Goods Fully Manufactured in a Country

The following goods shall be considered goods fully manufactured in a country:

- 1) minerals extracted in the territory of the country or in its territorial waters, or in its continental shelf and from the sea floor, provided that the country has an exclusive right to develop such resources;
- 2) plant products, grown or harvested in the territory of the country;
- 3) live animals that were born and raised in this country;
- 4) products received from animals raised in this country;
- 5) products of hunting, fresh-water and sea fishing;
- 6) products of sea fishing, obtained and (or) produced in the world ocean by the vessels of this country, as well as vessels leased (freighted) by this country;
- 7) secondary raw materials and waste materials, which are the result of production and other operations carried on in this country;
- 8) hi-tech products obtained in open space at space ships that belong to this country or leased by this country;
- 9) goods produced in this country exclusively from products specified in items 1 – 8 of this Article.

Article 279. Criterion of Sufficient Processing of Goods

If two or more countries participate in producing the goods, then the origin of goods is to be determined in accordance with the criterion of sufficient processing.

A criterion of sufficient processing is based on:

- 1) a rule that requires change in the classification code of the goods based on the Harmonized Commodity Description and Coding System at the level of any the first four digits after their processing;
- 2) or on a rule of ad-valorem portion, which provides for changes in the value of the goods as a result of its processing, provided that the added value in this case is not less than 50 percent of the value of the goods received as a result of the processing, or if the value of the used materials from other country or of unknown origin is less than 50 percent of the value of the goods received as a result of the processing;
- 3) or on a list of manufacturing or technological operations, which do not result in changing of the code of the goods or its value under the ad-valorem portion rule, but on certain conditions can be considered sufficient.

The list of such manufacturing and technological operations shall be established by the Cabinet of Ministers of Ukraine.

the certificate, or competent organizations of the country, mentioned as the country of origin of goods, with a request to provide additional information.

The goods shall not be regarded as such that originate from the particular country until customs authority, in cases specified in this Code, receives properly issued certificate of origin of goods or the requested by the customs authority additional information.

Article 284. Grounds to Refuse the Release of Goods

A customs authority may refuse to release the goods for movement across the customs border of Ukraine only if there are sufficient grounds for a conclusion that the goods originate in the country, the goods from which may not be allowed for the release under the laws of Ukraine and international agreements of

Head of a diplomatic mission of a foreign country and diplomatic personnel of such missions and members of their families, residing together with them, but not being citizens of Ukraine and not residing permanently in Ukraine, may import into Ukraine goods for personal use including articles for initial housing and export from Ukraine goods for personal use, including those purchased in Ukraine provided that the procedure for movement of goods through the customs border of Ukraine, established by this Code, is followed. Such goods shall be exempted from taxes and fees other than charges for customs clearance performed in places other than the location of the customs authorities or outside the normal business hours established for customs authorities.

The personal luggage in possession of heads of diplomatic missions of foreign countries, diplomatic personnel of representations of such missions and members of their families who reside with them shall be exempt from customs examination unless there are sufficient reasons to believe that such luggage contains goods intended for purposes other than personal use or goods, importation/exportation of which is prohibited by law, or which are subject to quarantine or other special regulations. Such examination is to be done only in the presence of persons mentioned in this Article or their authorized representatives on the written order of the head or deputy head of the corresponding customs authority. Such examination may be done also in the customs checkpoint on the written order of the head or deputy head of the customs checkpoint.

Article 288. Customs Privileges for Administrative and Technical Personnel of Diplomatic Missions of Foreign Countries

Administrative and technical personnel of diplomatic missions of foreign countries and members of their families residing with them, who are not citizens of Ukraine and do not reside in Ukraine permanently, may import into Ukraine goods for initial housing with exemption from taxes and fees, other than charge for customs clearance performed in places other than the location of the relevant customs authorities or outside the normal business hours set forth for customs authorities.

Persons, mentioned in part 1 of this Article, shall import into Ukraine and export from Ukraine goods in accordance with the procedure provided for in Article 287 of this Code.

Article 289. Application of Customs Privileges for Diplomatic Personnel of Diplomatic Missions of Foreign Countries to Administrative and Technical Personnel and Operating Staff

If a special agreement with a foreign country so provides, customs privileges established by this Code for diplomatic personnel of diplomatic missions of foreign country may be applied, on the reciprocal basis concerning each separate country, to administrative and technical personnel and operating staff of such missions and members of their families who are not citizens of Ukraine and do not permanently reside in Ukraine.

Article 290. Application of Customs Privileges to Consulates of Foreign Countries and Personnel thereof

Customs privileges for diplomatic missions of foreign countries and the relevant diplomatic personnel provided for in this Code shall apply to consulates of foreign countries, consulate officials, including heads of such consulates, the relevant consular personnel and their family members.

On the basis of a special agreement with a foreign country customs privileges, envisaged for the personnel of diplomatic missions of foreign countries in accordance with this Code, shall apply on the basis of reciprocity for each separate country, to consular operating staff and their family members if they are neither citizens of Ukraine, nor permanently reside in Ukraine.

Article 291. Movement of Diplomatic Pouch and Consular Valise across the Customs Border of Ukraine

Neither diplomatic pouch, nor consular valise, moving across the customs border of Ukraine, may be unsealed or kept. Where customs authorities have sufficient reasons to believe that a consular valise contains goods not provided for in part three of this article, the customs authority may request that such consular valise should be opened by the authorized persons of such country in the presence of customs officials. Where the request is rejected such valise must be returned to the point of departure.

All luggage seats containing diplomatic pouch and consular valise must have visible exterior features indicating its nature.

Diplomatic pouch may include exclusively diplomatic documents and goods for official use; and consular valises - only official correspondence and documents or goods intended exclusively for official use.

Article 292. Customs Privileges for Foreign Diplomatic and Consular Couriers

Foreign diplomatic and consular couriers on the basis of reciprocity may import into/export from Ukraine goods for their personal use that shall be exempt from customs examination, taxes and fees, other than charges for the customs clearance performed in places other than the location of the customs authority or

The privileges provided for in Articles 287 - 290, 292 - 294 of this Code to the officials of missions of foreign countries and international organizations terminate after they leave the territory of Ukraine.

Article 297. Declaration of Goods of Missions of Foreign Countries and International Organizations

Goods, which are not subject to alienation in the territory of Ukraine and intended for official (service) use by missions of foreign countries and international organizations, must be declared to a customs authority and shall be admitted to Ukraine temporarily, for the whole 6 (io)13r7(e wh)7(o te).1(ini)(r thll)r haccredi U(i)6.7(o)ohall

The specially authorized central body of executive power on customs practice shall arrange for regular publication of data of customs statistics of foreign trade.

Article 306. Special Customs Statistics

To ensure the fulfillment of tasks assigned to the customs authorities by Verkhovna Rada of Ukraine, President of Ukraine and Cabinet of Ministers of Ukraine, the customs authorities shall form, generalize and analyze special customs statistics. The procedure for maintaining special customs statistics is determined by legislation.

Article 307. Documents and Data Used to Form the Customs Statistics

Documents and data submitted by natural persons and legal entities to customs authorities as prescribed by the rules of this Code regulating the procedures of customs control and customs clearance shall be used to form the customs statistics.

Article 308. Use of Information Supplied to the Customs Authorities

Statistics and other information supplied to the customs authorities according to this Code and other laws of Ukraine and international agreements of Ukraine, concluded in accordance with the procedure set forth by

Article 310. Agency Classifiers

The specially authorized central body of executive power on customs practice shall develop, introduce and keep agency classifiers in customs statistics used in processing customs declarations.

The Cabinet of Ministers of Ukraine or specially authorized by it body shall approve the procedure for keeping the classifiers referred to in part 1 of this Article.

The classifiers referred to in part 1 of this Article shall be used exclusively for customs purposes.

The specially authorized central body of executive power on customs practice shall inform bodies of state power and subjects of foreign economic activities about amendments and additions to classifiers referred to in part 1 of this Article.

SECTION XV. UKRAINIAN CLASSIFICATION OF COMMODITIES OF FOREIGN ECONOMIC ACTIVITIES

CHAPTER 53. MAINTANANCE OF UKRAINIAN CLASSIFICATION OF COMMODITIES OF FOREIGN ECONOMIC ACTIVITIES

Article 311. The Structure and Application of the Ukrainian Classification of Commodities of Foreign Economic Activities

Ukrainian classification of commodities of foreign economic activities (hereinafter - UCCFEA) is formed on the basis of the Harmonized Commodity Description and Coding System.

Goods in UCCFEA are systematized in chapters, groups, commodity items, commodity sub-items, the names and digital codes thereof unified with those of the Harmonized Commodity Description and Coding System.

The seventh, eighth, ninth and tenth digits are used for more detailed classification of goods.

The structure of the ten digits code description of goods in UCCFEA includes the code of group (first two

- keeping and storing the model copy of ~~UKFA~~ (in electronic and paper format);
- arrangement for publication and distribution of ~~UKFA~~ and explanatory notes thereto;
- performing other functions that are necessary to maintain ~~UKFA~~.

The specially authorized central body of executive power on customs practice shall maintain ~~UKFA~~ in accordance with the procedure, established by the Cabinet of Ministers of Ukraine.

Article 313. Classification of Goods

Customs authorities shall classify goods, i.e., they shall refer goods to classification groups ~~UKFA~~

Decisions of customs authorities on classification of goods for customs purposes are binding for enterprises and citizens.

Article 314. Submission of Goods Samples in the Process of Classification of Goods

With the aim of finding out reliable data on goods and their conformity with the description of the classification groups of the ~~UKFA~~ the customs authorities may request from subjects of foreign economic activity and citizens to supply samples of goods and technical and technological documentation for such goods in order to carry out the expertise.

SECTION XVII. PREVENTION OF SMUGGLING

CHAPTER 55. MEASURES TO PREVENT SMUGGLING

Article 317. Controlled Deliveries of Narcotic Substances, Psychotropic Substances and Precursors

To disclose the sources and channels of illicit turnover of narcotic, psychotropic substances and precursors and persons participating in such turnover, the customs authorities of Ukraine shall together with other state bodies (units) which have the right to carry out operative investigation measures may use the method of controlled delivery of the mentioned substances and precursors.

This Code and the appropriate normative legal act of the specially authorized central body of executive power on customs practice, Ministry of Interior of Ukraine, Security Service of Ukraine, the specially authorized central body of executive power in the matters of Guarding of the State Border of Ukraine, approved by the Prosecutor General' Office of Ukraine and the Ministry of Justice of Ukraine, shall establish the procedure for conducting a controlled delivery.

Article 318. Movement of Goods under a Secret Control

With the aim of detecting and calling to account persons, engaged in smuggling operations, as well as aiming to seize goods moved across the customs border of Ukraine illegally, such goods may be transferred under control and operational supervision of law-enforcement bodies.

The procedure for moving goods under secret control is determined by this Code and the appropriate normative legal act of the specially authorized central body of executive power on customs practice, Ministry of Interior of Ukraine, State Tax Administration of Ukraine, Security Service of Ukraine, the specially authorized central body of executive power in the matters of Guarding the State Border of Ukraine approved by the Office of Prosecutor General of Ukraine and the Ministry of Justice of Ukraine.

SECTION XVIII. VIOLATIONS OF CUSTOMS RULES AND RESPONSIBILITY THEREFOR. RESPONSIBILITY OF PERSONS PARTICIPATING IN CASES ON VIOLATIONS OF CUSTOMS RULES

Chapter 56. GENERAL PROVISIONS

Article 319. The Concept of Violation of Customs Rules

Violation of customs rules is an administrative violation which is an illegal, guilty (deliberate or negligence) act or omission infringing upon the established by the legislation of Ukraine procedure of movement of goods and vehicles across the customs border of Ukraine and which, in accordance to this Code, results in administrative responsibility.

Administrative responsibility for violations specified by this Code occurs only if the violation does not result in criminal responsibility.

Failure to submit within the term, established by legislation, documents, determined by this Code, to the customs authority for the customs control of goods and vehicles, moving across the customs border of Ukraine, regardless of whether the written declaration was submitted, -

shall be the reason for warning or imposing a penalty of up to five minimum personal tax-free incomes on natural persons and a penalty of up to ten minimum personal tax-free incomes on the enterprise officials.

Article 331. Release of Goods and Vehicles without Permission of the Customs Authority or Loss Thereof

Release of goods and vehicles, retained under the customs control without permission of the customs authority, or loss thereof, -

shall be the reason for imposing a penalty in the amount of 500 up to 1,000 minimum personal tax-free incomes.

Article 332. Failure to Deliver Goods, Vehicles and Documents to the Customs Authority

Failure to deliver goods and vehicles retained under the customs control and transported from one customs authority to another or taken for presentation to the customs authority of documents for such goods and vehicles, -

shall be the reason for imposing penalty in the amount of 50 up to 100 minimum personal tax-free incomes.

Article 333. Failure to Stop a Vehicle

Failure to stop a vehicle moving across the customs border of Ukraine in the customs control zone,-

shall be the reason for imposing penalty in the amount of up to five minimum personal tax-free incomes.

Article 334. Dispatch of Vehicle without Permission of the Customs Authority

Dispatch of a vehicle retained under the customs control without permission of the customs authority, -

shall be the reason for imposing penalty of up to five minimum personal tax-free incomes on natural persons and penalty of up to ten minimum personal tax-free incomes on enterprise officials.

Article 335. Mooring to Ships Retained under the Customs Control

Mooring to ships retained under the customs control by other ships or other vessels without permission of the customs authority, -

shall be the reason for warning or imposing penalty of up to twenty minimum personal tax-free incomes on natural persons and penalty of up to thirty minimum personal tax-free incomes on enterprise officials.

Article 336. Improper Operations with Goods and Vehicles Retained under the Customs Control, Changing of their State, Use and Disposal Thereof

Operations with goods, vehicles that are under customs control, namely changing their state, use and disposal of them, without permission of the customs authority, except for the situations provided for in Articles 331 and 337 of this Code, -

shall be the reason for imposing penalty on individuals in the amount of 50 up to 100 minimum personal tax-free incomes or confiscation thereof, and imposing penalty on enterprise officials in the amount of 100 up to 500 minimum personal tax-free incomes or confiscation thereof.

Article 337. Loading and other Operations Carriedout without Permission of the Customs Authority

Loading, unloading, reloading, repairing damages of package, unpacking, repackaging of goods retained

Preventing the access of customs officials, at the process of customs control or in proceeding in a case of smuggling or violation of customs rules, to goods, vehicles and documents or failure to present within the term, established by legislation, without reasonable grounds such goods, vehicles and documents to a customs official or to an expert or specialist, appointed by such customs official, -

shall be the reason for imposing penalty of up to thirty minimum tax-free personal incomes.

Article 343. Failure to Submit to the Customs Authority a Report Concerning Goods Retained under the Customs Control or on the Territories of the Special Customs Zones

Failure by persons, referred to in Article 320 of this Code, to submit to the customs authority a report required by legislation concerning goods retained under the customs control or located in the special customs zones and imported, exported, stored, processed, produced, purchased or sold without a preliminary permission of the customs authority as well as violation of the procedure of reporting about such goods,-

shall be the reason for imposing penalty in the amount of three to thirty minimum tax-free personal incomes on natural persons and up to fifty minimum tax-free personal incomes on enterprise officials.

Article 344. Failure to Submit Documents and Goods Samples for Examination (Analysis, Expertise)

Failure to submit in cases, envisaged by legislation, the appropriate documents and goods samples required by customs authority, which are needed for examination (analysis, expertise), - shall be the reason for warning or imposing penalty in the amount of up to thirty minimum tax-free personal incomes.

Article 345. Movement of Goods across the Customs Border of Ukraine with Violation of Intellectual Property Rights

Importation of goods into the customs territory of Ukraine or exportation of goods outside -6.1(ati)6.p5(d les for Ex)6.9(

shall be the reason for imposing penalty in the amount of fifty to two hundred minimum tax-free personal incomes.

Article 348. Violation of the Obligation to Re-export or Re-import Goods

Failure to re-export from the customs territory of Ukraine goods, that were temporarily imported into the customs territory of Ukraine under the obligation to re-export, or failure to re-import into the customs territory of Ukraine goods, that were temporarily exported from the customs territory of Ukraine under the obligation to re-import, within the periods established in the appropriate obligations for re-exporting (re-importing) of such goods,-

shall be the reason for imposing penalty in the amount of 500 up to 1,000 minimum tax-free personal incomes or confiscation of such goods.

Article 349. Violation of the Obligation on Transit

Failure to export goods and vehicles from customs territory of Ukraine, provided they were imported for the purpose of transiting through the customs territory of Ukraine within the periods, defined by the customs authority,-

shall be the reason for imposing penalty of 500 up to 1,000 minimum tax-free personal incomes or confiscation of such goods and vehicles.

shall be the reason for imposing penalty in the amount from five hundred to one thousand minimum tax-free personal incomes or confiscation of such goods, as well as confiscation of goods with specially manufactured (secret) hiding places and confiscation of vehicles, used for transportation of such goods across the customs border of Ukraine.

Article 353. Storage, Transportation or Purchase of Goods and Vehicles Imported into the Customs Territory of Ukraine out of the Customs Control or Concealed from the Customs Control

Storage, transportation, purchase or usage of goods and vehicles imported into the customs territory of Ukraine out of the customs control or concealed from the customs control, -

shall be the reason for imposing penalty in the amount from 200 up to 500 minimum tax-free personal incomes or confiscation of such goods and vehicles.

Article 354. Usage of Goods Subject to Privileges on Payment of Taxes and Fees for Purposes other, than the Targeted

Usage of goods subject to privileges on payment of taxes and fees for purposes other, than the purpose of granting such privileges, -

shall be the reason for imposing penalty in the amount from 200 to 500 minimum tax-free personal incomes.

Article 355. Activities, Aimed at Illegal Exemption from Taxes and Fees or at Reduction of their Amounts

Declaring false data in customs declaration and submission of documents with such information to the customs authority as grounds for an exemption from taxes and fees or reduction of their amounts, or failure to pay taxes and fees within the time-periods, established by legislation, as well as other illegal actions, that resulted in taxes and fees arrears, where such actions do not constitute a criminal offence, -

shall be the reason for imposing a fine in the amount of one hundred up to five hundred minimum tax-free personal incomes on natural persons and from five hundred up to one thousand minimum tax-free personal incomes on enterprise officials.

SECTION XIX. PROCEEDINGS IN CASES ON VIOLATIONS OF CUSTOMS RULES

CHAPTER 58. PROCEEDINGS IN CASES ON VIOLATIONS OF CUSTOMS RULES

Article 356. Definition of Proceeding in Cases on Violations of Customs Rules

Proceedings in case on violation of customs rules shall include procedural measures, envisaged in Article 378 of this Code, consideration of the case and issuance of a writ with regard thereto.

Article 357. Legal Instruments for Proceedings in Cases on Violation of Customs Rules

Proceedings in cases on violations of customs rules shall be based on provisions of this Code, and in the part, which is not governed by this Code – in accordance with legislation of Ukraine on administrative violations.

Article 358. Initiation of a Case on Violation of Customs Rules

The moment a report on violation of customs rules is drawn shall be the moment a case on violation of customs rules is initiated.

Article 359. Officials, Authorized to Draw Reports on Violation of Customs Rules

The following persons are authorized to draw reports on violation of customs rules:

- 1) officials, authorized according to the personnel arrangements of a customs authority to make a customs control, customs clearance and release of goods and vehicles for the movement across the customs border of Ukraine and who directly detected a violation of the customs rules;
- 2) officials from the division organizing fight against smuggling and violations of customs rules of the specially authorized central body of executive power on customs practice, divisions for fighting against smuggling and violations of the customs rules of regional customhouses and customhouses, which have such a right in accordance with their service functions;
- 3) other officials, authorized by the head of the specially authorized central body of executive power on customs practice or by the Head of a regional customhouse.

Article 360. Reasons and Grounds to Initiate a Case on Violation of Customs Rules

There shall be the following reasons to initiate a case on violation of customs rules:

- 1) direct detection of violation of customs rules by customs authority officials;
- 2) notification of a violation of customs rules made by a person, received from other authorities (including customs authorities);
- 3) notification of violations of customs rules received from customs and law-enforcement bodies of foreign countries and international organizations.

Article 361. Language of Proceedings in Cases on Violation of Customs Rules

Proceedings in cases on violation of customs rules shall be in Ukrainian or the language of the population majority inhabiting this locality.

The persons participating in a case on violation of customs rules, who do not speak the language used in proceeding, can make declarations, explanations and petitions in their native language and use the services of an interpreter.

Article 362. Customs Officials Conducting Proceedings in Cases on Violations of Customs Rules

Officials from the divisions for fighting against smuggling and violations of customs rules of the customs authority, in the area of activities of which the violation is committed or detected, shall conduct proceedings in cases on violations of customs rules.

Officials from divisions for fighting against smuggling and violations of customs rules of the regional customhouse may conduct proceedings in any case on violation of customs rules, initiated by a customs authority subordinated to it.

Officials from the division for organizing fight against smuggling and violations of customs rules of the specially authorized central body of executive power on customs practice may conduct proceedings in any case of violation of customs rules initiated by any customs authority of Ukraine.

Article 363. Report on Violation of Customs Rules

An authorized officer of the customs authority, who has detected a violation of customs rules, in each case of detection of a violation of customs rules, draws a report.

Report on violation of customs rules shall include the following information:

- 1) the date and place the report is drawn;
- 2) position, the first, middle and last names of the person who has drawn the report;
- 3) the information about the person called to account for violation of customs rules that is necessary for considering the case, where such person is identified;
- 4) place, time and nature of the violation of customs rules;
- 5) reference to the article of this Code establishing responsibility for such violation;
- 6) last names and addresses of witnesses, where such witnesses exist;
- 7) information about goods, vehicles and documents seized in accordance with Article 377 of this Code;
- 8) other information needed to resolve the case.

The report is signed by the officer, who draws it. Where a person, made liable for violation of customs rules, is present when the report is signed, such person signs the report too, and where witnesses are present, they also sign the report.

Where the person, made liable for violation of customs rules, refuses to sign the report, the appropriate note shall be made in the report. The person, made liable for violation of customs rules, has the right to give

person even if the person does not stay at the address notified by him/her or if such person gave false information about the address of his/her residence or actual stay.

Report as well as seized goods, vehicles and documents, indicated in the report, is passed to the customs authority in the area of activities of which the violation of customs rules was detected.

Article 364. Proceedings in Cases on Violations of Customs Rules on the Basis of Materials Received from other Law-Enforcement Bodies

Where a criminal case on smuggling is terminated with regard to a specific person, if in actions of such person signs of violation of customs rules are detected, the materials on such offence are passed to the customs authority or to the court so that such person should be called to administrative account.

Resolution on such case shall be taken within the terms envisaged by part 2 of Article 328 of this Code.

Article 365. Persons Participating in Proceedings in Cases on Violations of Customs Rules

The following persons participate in proceedings in cases on violations of customs rules:

- persons called to account for violations of customs rules;
- representatives of persons called to account for violations of customs rules (representatives acting by virtue of law, representative acting by virtue of power of attorney);
- defense attorney;
- witnesses;
- experts;
- interpreters;
- witnesses of inquest.

Article 366. Rights of Persons, Called to Account for Violations of Customs Rules

Persons called to account for violations of customs rules at the consideration of the case on the violation of customs rules in the customs authority or in the court shall have the right to access the materials of the case, make excerpts from them, make copies of decisions, resolutions and other documents included in the case, attend the consideration of the case at the customs authority and participate in court proceedings, submit evidences, participate in examination of evidence, make petitions and require challenge, recusation, make oral and written explanations, present their arguments, speculations and objections, make appeals against resolutions of the customs authority and court decisions and enjoy other rights, granted them by law. The persons referred to in this article are obliged to use their procedural rights in good faith.

Article 367. Representatives of Persons, Called to Account for Violations of Customs Rules

The following persons may be representatives of the persons, called to account for violations of customs rules:

- 1) representatives by virtue of law: parents, adopters, guardians or trustees, who act on the basis of documents certifying their powers - in cases of minors or persons who due to their physical or mental

deficiencies are unable to exercise their rights personally. Representatives by virtue of law may authorize other person selected by them to act as a representative;

2) other persons who act on the basis of a power of attorney certified by a notary. Individuals may also have their power of attorney certified at the enterprise where they work or at the department for management of buildings where they reside, military officers may also have such powers of attorney certified at the relevant military detachment, persons residing in places where there are no notaries may have such powers of attorney certified at the executive department of town or village council of people's deputies, persons undergoing medical treatment may have such powers of attorney certified at the relevant medical institution.

Personal participation of individuals in the consideration of cases does not affect their right to have representatives.

Representatives by virtue of law at the participation in the case shall enjoy all the rights referred to in Article 366 of this Code. The powers of other persons to participate in a case shall give the wfr.1536mhe n be-6.2-63(

Only individual possessing the knowledge required for making an appropriate conclusion may be an expert.

An expert shall be appointed by a customs authority officially conducting proceedings in case on violation of customs rules, where special knowledge is required.

Expert is obliged to give his unbiased conclusion on the matter of the expertise.

Expert shall have the right to:

- study the materials of the case dealing with the subject matter of the expertise;
- make petitions for additional materials necessary to make conclusions.

Article 370. Interpreter

Only an individual who knows the language required for interpretation in the proceedings in case on violation of the customs rules may be an interpreter.

An interpreter is obliged to interpret the required information exactly and comprehensively and to take part

Head or deputy Head of division for fighting against smuggling and violations of customs rules may solve the matter of transferring the case on violation of customs rules for the other official to conduct

Customs examinations are made in presence of the enterprise officials mentioned in part 1 of this Article.

Officials of customs authorities have the right to invite any specialist to participate in such examination.

The event of customs examination shall be reflected in the report that shall be drawn up in accordance with the form established by the specially authorized central body of executive power on customs practice.

Article 379. Presentation of Goods, Vehicles and Documents for Identification

Customs authority official, conducting proceedings in case on violation of customs rules may take a decision to present goods, vehicles and documents relevant to the case for identification to the person, who committed such violation, and to witnesses.

The persons, participating in the process of identification, are first asked questions about the circumstances involved when they have seen such goods, vehicles and documents referred to in part 1 of this Article and about the features of such goods that make it possible to identify them.

Goods, vehicles and documents shall be presented for identification within a group of homogeneous goods, vehicles and documents.

Witnesses of inquest shall be invited to attend presentation for identification.

Wherever goods, vehicles and documents are presented for identification a report thereon shall be drawn up pursuant to the format established by the specially authorized central body of executive power on customs practice.

Article 380. Expertise and Conclusion of an Expert

Expertise is assigned, if to clarify questions, arising in a case on violation of customs rules, there is a need for special knowledge in certain areas of science, technology, art, religion, etc.

Expertise is conducted by experts of customs laboratories or other institutions or individual specialists, appointed by the customs authority official, conducting proceedings in a case on violation of customs rules.

The questions put before an expert and his/her conclusions shall not fall beyond the special knowledge of

Wherever the customs authority official, conducting proceedings in a case on violation of customs rules,

The legislation of Ukraine shall establish the procedure of expenses and the amounts of sums to be paid.

Article 385. Reimbursement of Expenses in Cases on Violation of Customs Rules

The reimbursement of expenses in a case on violation of customs rules is made by a person, concerning which the resolution or decision on the application of sanctions, is taken. Expenses, made to pay for the interpreting services are reimbursed at the cost of the State budget of Ukraine.

The customs authority official, carrying out the proceedings in a case on violation of customs rules as well the customs authority official considering the case, shall gather and append to the case the documents about the expenses for the case proceedings.

The expenses subject to reimbursement shall be indicated in a resolution of the customs authority or a decision of court in a case on violation of customs rules.

Article 386. Bodies, Authorized to Consider Cases on Violation of Customs Rules

Customs authorities shall consider cases on violation of customs rules provided for in Articles 329- 335, 337, 338, 342-344, 346, 347, 354, 355 of this Code.

Local courts (judges), located in the area of activities of the customs authorities, the officials of which carry out the proceedings, shall consider cases on violation of customs rules provided for in Articles 336, 339 - 341, 345, 348 - 350 of this Code, as well all cases on violations of customs rules committed by persons aged from sixteen to eighteen.

Article 387. Powers of Customs Authority Officials in Considering Cases on Violations of Customs Rules

Heads or deputy Heads of regional customhouses and customhouses shall consider cases on violation of

premises, if such person was not notified thereof in the course of handing over the copy of the report on violation of customs rules.

Where a consideration of a case takes place before a court, the court (judge) notifies the person, called to

A resolution of the customhouse subordinated to a regional customhouse may be appealed to the relevant regional customhouse or to the local court, located in the area of activities of the customhouse, which has

Article 399. General Provisions on the Procedure of Execution of a Resolution of a Customs Authority on Imposition of a Penalty for Violation of Customs Rules

Resolution of a customs authority on imposition of a penalty for violation of customs rules shall be implemented after the deadline for appeals, provided for in Article 393 of this Code has expired.

The resolution of the customs authority on imposition of a penalty for violation of customs rules is executed by a state executor, except for instances specially outlined in this Code when its execution is the sole competence of the customs authority that issued the resolution.

Where a customs authority takes several resolutions on imposition of penalties for violation of customs rules concerning the same person, each resolution is executed separately.

Article 400. Limitation Period for Execution of a Resolution of a Customs Authority on Imposition of a Penalty for Violation of Customs Rules

Resolutions of customs authorities on imposition of penalties for violations of customs rules may not be

If the execution of a resolution on imposition of a fine is completed by the empowered authority, the resolution with an appropriate note, made in such resolution is returned to the customs authority or court (judge) that approved such resolution.

The amounts of fines are transferred to the State budget of Ukraine.

The person who violated customs rules shall, regardless of the levied fine, pay taxes and fees established by laws of Ukraine.

Article 405. The Procedure for Execution of a Court (Judge's) Decision on Confiscation

The decision of the court (judge) to impose administrative penalty for violation of customs rules shall be executed by the state executor in the part of confiscation, and in compliance with the procedure established by law.

The goods and vehicles, seized by the customs authority, provided the court (judge) has issued the decision on the confiscation thereof, shall be passed to the state executor.

Where it is impossible to confiscate goods being direct objects of violations of customs rules, or goods with specially prepared (secret) hiding places used to conceal direct objects of violation of customs rules from customs control, vehicles used to transport direct objects of violation of customs rules through the customs border of Ukraine, persons who violated customs rules shall pay value of the mentioned goods, vehicles according to the procedure set forth by legislation of Ukraine.

Expenses incurred by the customs body in the result of storing goods, vehicles provided the resolution on their confiscation was passed with regard thereto, shall be reimbursed by the person who violated customs rules, pursuant to the procedure established by law.

Article 406. Execution of a Resolution of a Customs Authority on Imposition of a Penalty for Violation of Customs Rules on Persons Residing or Staying Out of the Territory of Ukraine

Resolution of a customs authority on imposition of a penalty for violation of customs rules on persons, residing or staying out of the territory of Ukraine, shall be executed at the cost of the property, located in the territory of Ukraine, of such persons.

If no property in Ukraine belongs to persons referred to in part I of this Article, the procedure for execution of resolutions of customs authority on imposition of penalties to such persons shall be established in the legislation of Ukraine and international agreements with countries where persons, called to account for violations of customs rules, reside or stay.

SECTION XX. EMPLOYEES OF CUSTOMS AUTHORITIES, SPECIALIZED CUSTOMS INSTITUTIONS AND ORGANIZATIONS

CHAPTER 63. OFFICIALS OF THE CUSTOMS SERVICE OF UKRAINE

Article 407. Officials of the Customs Service of Ukraine

The officials of the Customs Service of Ukraine are employees of the customs authorities, specialized customs institutions and organizations of Ukraine, whom, according to this Code and other laws of Ukraine, entrusted the implementation of customs practice, organizational-administrative and consulting-advisory functions and who have been awarded special ranks.

Article 408. Legal Status of the Customs Officials of Ukraine

The legal status of customs officials of Ukraine, their rights and obligations are determined by the

Persons who are admitted to the civil service positions in customs authorities, specialized customs institutions and organizations for the first time shall take the Oath of the Civil Servant.

Employees who are given special ranks of the customs service of Ukraine for the first time shall take the following solemn commitment:

- 1) to stop violations of customs rules, detain persons who have committed such violations, overcome obstruction to lawful orders or demands of customs officials of Ukraine;
- 2) to gain entry to premises or places where goods and vehicles, which are under customs control, are located;
- 3) to stop other actions that interfere with the discharge of duties imposed on customs officials of Ukraine by this Code, if non-violent methods of influence do not ensure the fulfillment of such duties.

Article 425. Application of Special Devices

Customs officials of Ukraine shall have the right to use handcuffs, rubber sticks, tear gas, devices for the opening of premises, means for forced stopping of vehicles and other special tools in the following cases:

- 1) to repulse an assault on customs officials of Ukraine or other persons;
- 2) to repulse an assault on buildings, constructions, facilities and vehicles, in possession or used by the customs authorities, specialized customs institutions and organizations, as well as on goods and vehicles that are under customs control, and to free the mentioned objects in case of their capture;
- 3) to detain and take offenders to service premises of a customs authority, a specialized customs institution or organization if such persons resist and otherwise obstruct, or may inflict harm onto surrounding persons or themselves;
- 4) to stop physical resistance to customs officials of Ukraine;
- 5) to enter premises where contraband items and direct objects of violation of customs rules may be located;
- 6) to stop a vehicle whose driver has not fulfilled a demand by the customs official of Ukraine to stop.

It shall be prohibited to use special devices in respect of women, who have obvious signs of pregnancy, persons with obvious signs of disability and underage persons, except for cases of commitment by them of armed resistance, group assault endangering human life and health, protection of goods and vehicles that are under customs control.

The list of special devices that is used by officials of the customs service of Ukraine and the procedure for their application shall be approved by the Cabinet of Ministers of Ukraine.

Article 426. Keeping, Carrying and Use of Firearms by Officials of the Customs Service of Ukraine

Some categories of customs officials of Ukraine, established in the list approved by the Cabinet of Ministers of Ukraine, shall have the right to keep, carry and use firearms.

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Article 427. Social Guarantees for Officials of the Customs Service of Ukraine

The state shall guarantee social protection, material and maintenance securing for officials of the customs service of Ukraine.

In the event of sustaining any crippling injury or disability, or death of a customs official in line of duty in the result of an accident this person or his/her heirs shall be paid compensation in the order and amounts determined by legislation

Article 428. Guarantees of Labor Remuneration of the Officials of the Customs Service of Ukraine

The state shall guarantee labor remuneration of the officials of the customs service of Ukraine in order to create sufficient financial conditions for their independent and diligent discharge of their service duties.

Labor remuneration of the officials of the customs service of Ukraine consists of money securing, including a position-based wage, monthly special rank and service length bonuses, wage increments and bonuses and other types of additional payments and benefits

Article 429. Provision of Housing to the Officials of the Customs Service of Ukraine

Officials of the customs service of Ukraine, who need better housing, shall enjoy a priority right to obtain such housing. This right is also applicable to the retired officials of the customs service of Ukraine with not less than 20 years term of service in customs authorities of Ukraine.

Customs authorities, specialized institutions and organizations may have a service pool of housing which is formed in the manner specified by the Cabinet of Ministers of Ukraine.

In the event of death of a customs official in line of duty, the family of the deceased shall retain the right to obtain housing under the same conditions and grounds, which existed on the date of death of such an official.

Customs officers of Ukraine shall have the right to obtain, at the place of residence or work, interest-free loans for the individual or cooperative construction of housing and acquisition of a home for a term up to 20 years, with repayment of 50% of the obtained loans from budgetary funds.

Article 430. Pension Security of Employees of Customs Authorities, Specialized Customs Institutions and Organizations

Pension security of officials of the customs service of Ukraine shall be provided pursuant to the conditions and procedures specified by the Law of Ukraine "On the State Service".

Pension security of employees of customs authorities, specialized customs institutions and organizations, who are not officials, shall be provided on the basis of general grounds in accordance with the Ukrainian legislation on pension security.

Article 431. Payments and Compensation in Case of Crippling Injury and Disease, Compensation of Damages

Pursuant to the legislation of Ukraine, the specially authorized central body of executive power on customs practice shall compensate employees of customs authorities, specialized customs institutions and organizations for damages sustained by them due to a crippling injury or other harm to health connected with discharge of their service duties.

Article 432. Guarantees in the event of Death of an Employee of Customs Authority, Specialized
Customs Institution or Organization

In the event of death of an employee of a customs authority, a specialized customs institution or organization in the course of discharge of his\her duties, the disabled family members, who were dependents of the deceased, shall be paid by social insurance bodies a monthly compensation in the amount of a difference between a portion of wages the deceased spent to provide for them and the survivor benefits awarded as a result of loss of the breadwinner, disregarding the lump sum payment.

SECTION XXI. FINAL PROVISIONS

1. The Customs Code of Ukraine shall enter into force on January 1, 2004.

The Resolution of the Verkhovna Rada of Ukraine 'On entering into Force the Law of Ukraine On Exemption from Customs Duties of Goods, Exported (Sent) by Individuals Outside the Customs Border of Ukraine (Vydmosti Verkhovnoyi Rady, 1996, N26, p.115)

Resolution of the Verkhovna Rada of Ukraine of February 5, 1999-O 140 "On Personal Ranks of the State Customs Service of Ukraine" (Vydmosti Verkhovnoyi Rady Ukrainy, 1999, p. 261).

President of Ukraine

. KUCHMA

Kyiv
July 11, 2002
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