

Ukraine: regulation on the tax-exempt import of biofuel equipment adopted

Law-Now Ukraine
15.06.2011

The Cabinet of Ministers of Ukraine has recently adopted Resolution No. 581, establishing a procedure for tax exempt import of machinery, vehicles and other equipment that falls under the customs codes stipulated by Article 7 of the Law of Ukraine "On the Alternative Types of Fuel" including:

- equipment used for construction or renovation of biofuel production facilities;
- equipment used for production or modernization of technical equipment and vehicles facilitating the use of biofuels; and
- biofuel-fed technical equipment and vehicles (including agricultural automotive machinery).

The Resolution clarifies requirements that an importer needs to observe in order to prove its eligibility for the VAT and import duties exemption under the Tax Code of Ukraine and the Law of Ukraine "On Unified Customs Tariff" for import of such equipment.

The Resolution stipulates that in order to prove eligibility, an importer needs to submit an application to the customs authorities, specifying the name, customs code, quantity, price and designation of the eligible imported equipment. An application should be accompanied by:

- the duly certified copies of the foreign economic agreement or other similar document that is a basis for the import of equipment into the customs territory of Ukraine;
- the duly certified copies of the technical passport, or other document issued by the manufacturer's plant, evidencing that the equipment has to be used for production or consumption of biofuel; and
- the confirmation of the Ministry of Economic Development and Trade of Ukraine that no equivalent equipment is produced or available in Ukraine.

An importer is obliged to account for the proper use of the imported equipment and should submit monthly reports on its use to the customs authorities that performed customs clearance. However, this requirement does not apply to the importers of the vehicles. In the event that the customs authority discovers that the imported equipment is used for other purposes than as declared, it will notify the tax authorities at the importers place of registration and take measures to collect the unpaid VAT and import duties, as well as the fines stipulated by the Tax Code of Ukraine and the Law of Ukraine "On Unified Customs Tariff".

Law: the Resolution of the Cabinet of Ministers of Ukraine "On Approval of the Procedure on the Import into the Customs Territory of Ukraine of Equipment, Machinery, Technical Devices, and Vehicles, which are used for Development of Production and Ensuring Consumption of Biological Types of Fuel" No. 581 dated 18 May 2011.

For further information, please contact:



Olexander Martinenko
Ukraine
+380 44 391 33 77
[View my CV](#)



Vitaliy Radchenko
Ukraine
+380 44 391 33 77



Tetyana Rabczak
Ukraine
+380 44 391 33 77



Volodymyr Kolvakh
Ukraine
+38 044 391 3377

Law-Now is CMS Cameron McKenna's free online information service. To register for Law-Now, simply click and select the register link in the main navigation.

For further information about Law-Now, please contact our Law-Now Administrator:

Law-Now.Administrator@cms-cmck.com

Tel: +44 (0)20 7367 2586

Fax: +44 (0)20 7367 2000

Copyright (C) 2011 CMS Cameron McKenna LLP. All rights reserved. Information may be shared; however, reproduction in any medium requires our permission.

Disclaimer

CMS Cameron McKenna LLP is a limited liability partnership registered in England and Wales. It is able to provide international legal services to clients utilising, where appropriate, the services of its associated international offices and/or member firms of the CMS organisation. The associated international offices of CMS Cameron McKenna LLP are separate and distinct from it.

CMS Cameron McKenna LLP and its associated offices are members of the CMS organisation of major independent European law firms. The CMS organisation firms are legal entities which are separate and distinct from CMS Cameron McKenna LLP and its associated international offices.

Law-Now information is for general purposes and guidance only and does not purport to constitute legal or professional advice. All Law-Now information relates to circumstances prevailing at the date of its original publication and may not have been updated to reflect subsequent developments.

Law-Now is a registered trademark.