

Cancellation of test customs values

Contacts at EY

Vladimir Kotenko
+380 (44) 490 3006
Vladimir.Kotenko@ua.ey.com

Igor Dankov
+380 (44) 490 3039
Igor.Dankov@ua.ey.com

The government has cancelled the resolution that introduced test customs values of goods applicable during import (release for free circulation).

According to the cancelled resolution, for the purposes of control over truth and accuracy of the goods' customs value the customs authorities used information on average value of the goods (depending on tariff code and origin), calculated for past 6 months. Now this rule has been cancelled.

Officials say that cancellation of test customs values would ensure a fair customs valuation. For instance, previously these values were defined without due regard to volume, discounts and other conditions of concrete transactions and this caused disputes with business.

We expect that now customs offices would be more flexible in comparing the declared customs value with information available in their price database, and use more sources of price information (e.g., use price information of importers' industrial associations). As a result of this, we do not exclude cases where customs control would not accept the declared customs value of goods being imported.

Therefore, our recommendation remains valid that importers pay more attention to documentary support of the goods' customs value. If there are customs value disputes with the fiscal authorities, do not hesitate to contact us for assistance.

The governmental resolution (*The Resolution of the Cabinet of Ministers of Ukraine "On Cancellation of Resolution of Cabinet of Ministers of Ukraine No. 724 dated 16 September 2015" No. 686 dated 5 October 2016*) becomes effective from the date of publication.

EY | Assurance | Tax | Transactions | Advisory

About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY works together with companies across the CIS and assists them in realizing their business goals. 4,500 professionals work at 20 CIS offices (in Moscow, St. Petersburg, Novosibirsk, Ekaterinburg, Kazan, Krasnodar, Togliatti, Vladivostok, Yuzhno-Sakhalinsk, Rostov-on-Don, Almaty, Astana, Atyrau, Bishkek, Baku, Kyiv, Tashkent, Tbilisi, Yerevan, and Minsk).

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients.

For more information about our organization, please visit ey.com.

Contacts

Kyiv
+380 (44) 490 3000

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, or other professional advice. Please refer to your advisors for specific advice.

© 2016 Ernst & Young LLC

All Rights Reserved.

25 YEARS IN UKRAINE

INTERNATIONAL
TAX REVIEW

Europe Tax
Awards 2016

Ukraine Transfer Pricing
Firm of the Year