

The Law of Ukraine

On the State Regulation of Import of Agricultural Products

as amended by the Laws of Ukraine
N 644/97-VR dd. November 19, 1997,
N 794/97-VR dd. December 30, 1997,
N 32/98-VR dd. January 16, 1998,
N 198/98-VR dd. March 5, 1998,
N 439-XIV dd. February 18, 1999,
N 518-XIV dd. March 18, 1999,
N 597-XIV dd. April 9, 1999,
N 771-XIV dd. June 18, 1999,
N 1214-XIV dd. November 4, 1999,
N 1327-XIV dd. December 21, 1999,
N 1476-III dd. February 22, 2000,
N 1528-III dd. March 2, 2000,
N 2371-III dd. April 5, 2001
N 2681-III dd. September 13, 2001
N 2775-III dd. November 15, 2001

(in the text of the Law the word “ECU” is replaced with the word “euro”
according to the Law of Ukraine N 1214-XIV)

This Law establishes a procedure of tariff and non-tariff regulation of import of agricultural raw materials and products of processing thereof (hereafter - agricultural products) to establish equal conditions of competition between domestic products and products of non-residents, and certain methods of pricing support for agricultural producers in Ukraine.

Article 1. Tariff Regulation of Import of Agricultural Products

Import duties for goods specified in article 6 of this Law shall be established and modified by the Verkhovna Rada of Ukraine.

Full import duty rates for the goods of groups 1 and 2 of the Goods Nomenclature of Foreign Economic Activity (except the excisable goods) shall constitute a doubled amount of the privileged import duty rates, specified in Article 6 of the Law.

(part 2, Article 1 is in the wording of the Law of Ukraine
N 32/98-VR dd. January 16, 1998)

Full import duty rates for groups 3-24 of the Goods Nomenclature of Foreign Economic Activity, as well as for excisable goods shall be established at the level of privileged rates.

(part 3, Article 1 is in the wording of the Law of Ukraine
N 32/98-VR dd. January 16, 1998)

While importing goods specified in Article 6 of this Law it shall be prohibited to:

- postpone payment of the duty and the value added tax;
- exempt natural persons or legal entities which enjoy privileges in payment of the import duty from payment of the import duty according to other legislative acts of Ukraine.

Article 2. Seasonal Duties for the Import of Agricultural Products

Seasonal import duties shall be introduced every year on the doubled level of privileged import duty rates for agricultural products of the Goods Nomenclature of the Foreign Economic Activity specified in part five of this article, for the period of harvesting and storage of similar products of Ukrainian production.

(part 1, Article 2 is in the wording of the Law of Ukraine
N 32/98-VR dd. January 16, 1998)

The seasonal duties are deemed as an exception from the preferential or privileged treatments, including the free trade agreements, customs unions, production cooperation and other similar international agreements, if it is provided for by such agreements. Seasonal duties during the period of their validity shall substitute the import duties established by Article 6 of this Law.

The Cabinet of Ministers of Ukraine shall determine the validity period of the seasonal duties for agricultural products and publicize its decision 45 days prior to their introduction.

The seasonal duties shall be established for the period which cannot be less than 60 and not more than 120 successive calendar days.

The seasonal duties shall be established for agricultural products which falls under definition of the following groups of the Goods Nomenclature of the Foreign Economic Activity: 07.01-07.08, 08.06.10, 08.07.10, 08.08.10, 08.08.20, 08.09.10000, 08.09.20, 10.01-10.05, 10.08, 12.06-12.08, 12.10, 12.12.91, 12.12.92, 12.13, 12.14, and are subject to the import duty at a privileged rate which equals or exceeds 30% in accordance with article 6 of this Law.

(part 5, Article 2 is in the wording of the Law of Ukraine
N 32/98-VR dd. January 16, 1998)

Article 3. Non-tariff Regulation of Import of Agricultural Products

With a view to support competitiveness of domestic producers of animal products the Cabinet of Ministers of Ukraine establishes annual quotas (quantitative restrictions) on the import of products that falls under definition of the first and second groups of the Goods Nomenclature of the Foreign Economic Activity (codes: 01.02, except 01.02.10.000, 01.03, except 01.03.10.000, 01.05, except 01.05.11.000, 01.06.00, 02.01, 02.02, 02.03, 02.04, 02.05.00.000, 02.06, 02.07, except 02.07.39.130, 02.07.39.230, 02.07.41.510, 02.07.39.130, 02.07.39.230, 02.07.41.510, 02.08, 02.09.00, 02.10) and shall be subject to imposition of the privileged import duty, the rate of which equals or exceeds 30 per cent in accordance with article 6 of this Law.

Quotas in the current year will be in force till the day of the auction on their sale for the next year and will cover import supplies of animal products from all countries. Agricultural products that are subject to quotas shall not be exempted from the import duty.

The amount of quota for a separate kind (type, sort) of animal products shall not exceed 10 per cent of the volume of production of similar products in Ukraine in the year preceding the current year. The specific amount of quota within the limits of the fixed 10 per cent shall be determined by the Cabinet of Ministers of Ukraine depending on the volumes of domestic production of a separate type of animal products and the volumes of its consumption (including the imported products) in the year preceding the current year.

Quotas are deemed as an exception from the preferential or privileged treatments, including the free trade agreements, customs unions, industrial cooperation and other similar international agreements if it is provided for by such agreements.

The annual quotas for the import of animal products shall be sold at the cost of funds at the auctions held by the Ministry of Food and Agriculture within 60 calendar days from the day of publication of the statistical data on the actual volumes of domestic production of animal products and the volumes of its consumption (including the imported products) in the year preceding the current year. Quotas that remain unsold during the specified period shall not be subject to resale or use. To hold an auction the buyers of import quotas shall be subjected to pay the state duty in the amount specified by the legislation. Revenues obtained from the sale of quotas shall be remitted to the State Budget of Ukraine.

Information as to the date of introduction and the amount of quotas for animal products, and also the news concerning the holding of auctions on the sale of such quotas shall be made public in the official publications of the Verkhovna Rada of Ukraine and the Cabinet of Ministers of Ukraine at the latest 30 calendar days in advance of holding the relevant auction.

Quota is considered sold only after its cost has been covered in full by the person who won the auction.

Further resale of quotas shall not be allowed, and the consignee of the imported products subject to quotas may be exclusively a person who has won the auction.

Quotas are established for the import of each type of products of the separate four-digit commodity item of the first and second group, according to the Goods Nomenclature of the Foreign Economic Activity, and divided into lots; each lot should constitute one per cent of the total amount of quota for such commodity group.

In order to hold an auction the Ministry of Food and Agriculture shall create an auction committee composed of its (Ministry's) own staff, who have a status of state employees. This committee shall act on behalf and on the instruction of the said Ministry.

Any person may take part in the auctions on the sale of quotas who has submitted an application to the auction committee on participation according to the form established by the Ministry of Food and Agriculture, paid a registration fee and provided a deposit in the amounts to be specified by the Ministry of Food and Agriculture of Ukraine. Establishment of additional requirements for the participants of the auction on the sale of quotas, limitation of their number or refusal to allow their participation in the auction due to other reasons shall not be allowed.

The registration fee shall be established on the level sufficient to cover the expenses of the Ministry of Food and Agriculture of Ukraine on organizing and holding of an auction with the calculations made for one person. The registration fee shall be neither reimbursed for the auction participants nor considered in the selling price of the quota.

The deposit shall be returned to the bidders who have not won the auction or shall be considered when decreasing the amount of the quota purchased for the successful auction participants. The deposit shall not be returned to the winner of the auction who has not paid a full cost of the quota purchased within five days following the day of the auction opening. The amount of deposit of such participant shall be directed to the State Budget of Ukraine.

Taking into account the provisions of this article the Cabinet of Ministers of Ukraine shall establish the procedure of holding auctions on the sale of quotas for the import of animal products in the territory of Ukraine and shall make it public.

Disputes between the buyers of the import quotas and the Ministry of Food and Agriculture of Ukraine shall be settled in the court.

The Cabinet of Ministers of Ukraine shall submit to the Verkhovna Rada of Ukraine by March 1 of each year a written report on the fulfillment of the requirements of this article regarding the sale of quotas in the current year.

Article 4. Certification and Control Over Import of Agricultural Products

Agricultural products imported into the customs territory of Ukraine shall be subject to the compulsory certification, sanitary and epidemiological, radiological, and in case of importing items of the state veterinary-sanitary control and supervision referred to as goods of first – fifth, seventh, tenth, twelfth, fourteenth-sixteenth, nineteenth, twenty first, twenty third groups of the Goods Nomenclature of the Foreign Economic Activity - to the veterinary control. Certificates issued by the authorized bodies of non-residents shall be taken into account exclusively in the cases when mutual recognition of such certificates is envisaged by the norms of the relevant international agreements. Grounds for transporting through the customs territory of Ukraine of products of groups 1-24 of the Goods Nomenclature of Foreign Economic Activity shall be a certificate of conformity, issued by the authorized body according to the current legislation, or the a certificate on recognition of a foreign certificate. The Cabinet of Ministers of Ukraine may temporarily impose restriction on the import of agricultural products originating from the countries where or with regard to which the quarantine was announced by Ukraine or other countries. Decision as to the mentioned restriction should be made public.

(part 1, Article 4 is as amended
by the Law of Ukraine N 644/97-VR dd. November 19, 1997,
is in the wording of the Law of Ukraine N 32/98-VR dd. January 16, 1998,
is as amended by the Law of Ukraine N 2775-III dd. November 15, 2001)

Products designed for the sale to the public which fall under the definition of the second-twenty first group of the Goods Nomenclature of the Foreign Economic Activity may be imported into Ukraine from the countries, free from quarantine, provided that the tare (boxes, packages, wrapping), and in the cases specified by the Cabinet of Ministers of Ukraine, or the product itself contain the data on the name of the product, mass (volume), composition, indicating a list of other food products used in the process of making other food products, food additions (preservatives), flavorings, etc., contents of chemical substances or compositions. The data on energy content, date of expiration, by-effects of consumption or their absence, name of food additions (preservatives), if any, the place of production, name and address of the producer of

such products and information about the owner of the brand name, if any, and for those relating to the exciseable goods - the information shall be specified in accordance with laws of Ukraine. The above data shall be provided in the Ukrainian language except the brand name, logo of the company or its name or the own name of the product which may be provided in foreign languages.

(part 2, Article 4 is as amended according to the Law of Ukraine
N644/97-VR dd November 19, 1997)

Products that are sold to the public with violation of the requirements set forth by this article shall be deemed as those which were imported in the territory of Ukraine with violation of the customs rules.

Part four of Article 4 is void

(part 4, Article 4 is as amended according to the Law of Ukraine
N 597-XIV dd. April 9, 1999,
is void according to the Law of Ukraine
N 2681-III dd. September 13, 2001)

The Cabinet of Ministers shall determine and make public the list of food additions (preservatives), and the import of products with contents of such additions in the territory of Ukraine shall not be allowed.

Article 5. Protection of the Ownership Right to Agricultural Products, the Right to Choose Processors and Buyers of Agricultural Products

For the purpose of preventing creation of the artificial shortage of the agricultural products in Ukraine and speculative rise in prices for the basic products, introduction of restrictions on the free movement of domestic agricultural products in the entire territory of Ukraine, order that the agricultural commodity producer should have specific processors or consumers and fixation of the compulsory minimal prices of their sale, except for compulsory minimal prices for sale of sugar beet for production of sugar of quota "A" and quota "B", and sugar of quota "A" that are specified according to the Law of Ukraine "On State Regulation of Production and Sale of Sugar" shall be prohibited.

(part 1, Article 5 is as amended according to the Law of Ukraine
N 1327-XIV dd. December 21, 1999)

Decision of executive bodies or local self-government bodies adopted and being in conflict with the provisions of this article shall not be subject to fulfillment. Officials of the said bodies shall be liable for issuing (signing) the decisions which contradict the provisions of this article in accordance with the laws of Ukraine.

Article 6. Import Duty Rate for Agricultural Products

Import duty rates for the products of groups one-twenty four of the Ukrainian Classification of Goods of Foreign Economic Activity shall be established by the Customs tariff of Ukraine.

(Article 6 is as amended by the Laws of Ukraine
N 32/98-VR dd. January 16, 1998,
N 439-XIV dd. February 18, 1999,
N 518-XIV dd. March 18, 1999,
N 1214-XIV dd. November 4, 1999,
N 1528-III dd. March 2, 2000,
is in the wording of the Law of Ukraine
N 2371-III dd. April 5, 2001)

Article 7. Final Provisions

1. This Law shall enter into force from the day of its publication, except for Article 6, which shall come into force 45 days after the day of publication of this Law.

2. Application of seasonal duties set forth by Article 2 shall start only from the harvest of 1997.

Article 3 shall be in force till January 1, 2003.

3. Starting from the date this Law enters into force till January 1, 1999 the norms of the Law of Ukraine “On Operations with Give-and-Take Raw Materials in Foreign Economic Relations” with relation to final products of commodity groups 1-24 of the Harmonized Commodity Description and Coding System, produced of resident’s give-and-take raw materials, and are imported into the customs territory of Ukraine – in the part related to exemption from the payment of value added tax – shall only extend to final products imported under agreements, according to which give-and-take raw materials were entirely or partially exported outside the Ukrainian customs territory before October 1, 1997, and – in the part related to exemption from the import duty, and not falling to licensing and quoting treatment – only to final products, imported under agreements, according to which give-and-take raw materials were entirely or partially exported outside the customs territory of Ukraine before this Law came into force.

(Article 7 is supplemented with clause 3 according to the Law of Ukraine N 644/97-VR dd. November 19; due to this clauses 3,4,5,6, are shifted to clauses 4,5,6,7 respectively)
(clause 3, Article 7 is in the wording of the Law of Ukraine N 794/97-VR December 30, 1997)

4. Quotas for exporting animal products shall be introduced from the day when this Law comes into force, and shall be effective till the day when 1998 quota sale auctions begin.

5. Revenues of the State Budget of Ukraine received as a result of this Law, shall be used for the funding of programs aimed at price support of domestic agricultural products.

6. Rules of other legislative acts of Ukraine shall apply as far as they are not in contradiction with this Law.

7. The Cabinet of Ministers of Ukraine, within two months after the publication of this Law, shall submit for the Verkhovna Rada’s consideration draft legislative acts which require changing and amending as a result of enforcement of this Law.

8. An import duty with the zero rate shall be temporarily (till August 1, 1998) introduced for tomato paste with solids content exceeding 30 per cent of the weight (only in tare for industrial processing) – commodity group code - 20.02.90.900.

(Article 7 is supplemented with clause 8 according to the Law of Ukraine N 32/98-VR dd. January 16, 1998)

9. Physical persons shall be temporarily (to August 1, 1998) allowed to receive international mailings containing foodstuffs (except excisable goods) with the weight up to 5 kilos without the certificate of conformity.

(Article 7 is supplemented with clause 9 according to the Law of Ukraine N 32/98-VR dd. January 16, 1998)

10. The import duty shall be paid according to legislation that was in effect before the Law of Ukraine “On State Regulation of Import of Agricultural Products” for the products imported into Ukraine within investment projects at the expense of credits, granted under the guarantees of the Cabinet of Ministers of Ukraine till October 7, 1997.

(Article 7 is supplemented with clause 10 according to the Law of Ukraine N 198/98-VR dd. March 5, 1998)

11. The import duty shall be introduced temporarily (till September 1, 2000) for corn grain (only in case of industrial processing at food industry enterprises) with the zero rate – code of commodity group – 1005.

(Article 7 is supplemented with clause 11 according to the Law of Ukraine N 771-XIV dd. June 18, 1999)
(clause 11, Article 7 is as amended according to the Law of Ukraine N 1476-III dd. February 22, 2000)

President of Ukraine

L. KUCHMA

**Kyiv,
July 17, 1997
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